

EXHIBIT 5

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

KELLY CASTILLO, NICHOLE
BROWN, and BARBARA GLISSON,
Individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

GENERAL MOTORS
CORPORATION,

Defendants.

Case No. 2:07-CV-02142 WBS-GGH

FINAL JUDGMENT

Honorable William B. Shubb

1 This matter having come before the Court on the application of Plaintiffs,
2 individually and as representatives of a class of similarly situated persons (collectively,
3 “Plaintiffs”), and General Motors Corporation (“Defendant”) for approval of the
4 settlement set forth in the Stipulation of Settlement and the exhibits thereto (collectively
5 the “Agreement”), and the Court having considered all papers filed, all evidence
6 submitted and proceedings had herein and otherwise being fully informed;

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

8 1. The Court has jurisdiction over the subject matter of this litigation,
9 and over all parties to the litigation, including all members of the proposed Class defined
10 as all residents of the United States who as of January 13, 2009, own or have owned a
11 model year 2002, 2003, 2004 or 2005 Saturn VUE or model year 2003 or 2004 Saturn
12 ION equipped with a continuously variable VTi transmission (“Class Vehicle”) excluding
13 (i) any person, firm, trust, corporation, or other entity that purchased Class Vehicles from
14 GM, or any entity related or affiliated with GM, for resale or fleet purposes (including
15 without limitation any authorized Saturn Retailer) and (ii) any person who has instituted
16 an action for damages for property damage or personal injury against GM related to the
17 VTi transmission of a Class Vehicle (“Class”). Excluded from the Class are members of a
18 Subclass consisting of persons otherwise falling within this Class definition but (1) to
19 whom Notice of the Settlement inadvertently was not mailed prior to the Settlement
20 Approval hearing and (2) who did not otherwise receive timely notice of the Settlement.

21 2. Pursuant to Rule 23(a), Federal Rules of Civil Procedure, the Court
22 finds that the members of the proposed Class are so numerous that joinder of all members
23 is impracticable, that there are questions of law and fact common to the Class, that the
24 claims of the named plaintiffs are typical of the claims of Class and that the named
25 plaintiffs have fairly and adequately represented the Class and will continue to do so.
26 Pursuant to Rule 23(b), Federal Rules of Civil Procedure, the Court further finds that
27 questions of fact common to the Class predominate over factual questions affecting only
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1 individual members and that a class action is superior to other available methods for the
2 fair and efficient adjudication of the controversy. Accordingly, the Court certifies the
3 Class as defined in paragraph 1 above.

4 3. The Court hereby finds that: (a) the settlement memorialized in the
5 Stipulation of Settlement previously filed with the Court (“Agreement”) has been entered
6 into in good faith and was concluded after Class Counsel had conducted an extensive
7 investigation concerning the issues raised by Plaintiffs’ claims; (b) the settlement
8 evidenced by the Agreement is fair, reasonable and adequate as to, and in the best
9 interests of, the Class Members; (c) the settlement delivers benefits to the Class in a
10 timely manner while resolving complex issues that would require expensive and long-
11 lasting litigation; (d) the Agreement was the result of extensive arms’ length negotiations
12 among highly experienced counsel, with full knowledge of the risks inherent in this
13 litigation; (e) there is no evidence of collusion or fraud in connection with the settlement;
14 (f) the investigation conducted to date suffices to enable the parties and the Court to make
15 an informed decision as to the fairness and adequacy of the settlement; (g) the case raised
16 complex and vigorously contested issues of law and fact that would result in complex,
17 expensive, and lengthy litigation; (h) the Plaintiffs faced significant risks in establishing
18 liability and damages; and (i) the release is tailored to address the allegations in the case.

19 4. Accordingly, the Court hereby orders and declares (a) the Agreement
20 is approved by the Court and shall be binding on all Class Members; and (b) the
21 Agreement as approved by this final judgment is and shall be binding and preclusive in all
22 pending and future lawsuits or other proceedings whether in state or federal court. Each
23 and every term and condition of the Agreement as a whole (including its attached
24 exhibits) is approved as proposed and is to be effective, implemented, and enforced as
25 provided in the Agreement.

26 5. The Court finds that the Class Notice and methodology implemented
27 pursuant to this Court’s Preliminary Approval Order provided the best notice practicable
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1 under the circumstances. The Court further finds that the Class Notice advised each
2 member of the Class, in plain easily understood language: (a) the nature of the suit; (b) the
3 definition of the Class certified; (c) the class claims, issues, and defenses; (d) that a Class
4 Member could enter an appearance through counsel if desired; (e) that the Court would
5 exclude from the Class any member who timely requested exclusion by a specified date;
6 and (f) that the judgment incorporating the settlement will fully release Defendant,
7 dismiss this lawsuit with prejudice, and include and bind all members of the Class who
8 did not timely request exclusion. The Court finds that the Class Notice and methodology
9 fully complied with all applicable legal requirements, including the Due Process Clause of
10 the Constitution of the United States and the Federal Rules of Civil Procedure.

11 6. The Court also finds that the Final Notice and the post-settlement
12 notice methodology to be implemented pursuant to the Agreement will provide the best
13 practicable notice under the circumstances of the Judgment and Claim Form to all Class
14 Members, and the Court further finds that the Final Notice and methodology constitute
15 due, adequate and sufficient notice to all persons entitled to receive notice, and fully
16 comply with all applicable requirements of law, including the Due Process Clause of the
17 Constitution of the United States and the Federal Rules of Civil Procedure.

18 7. The Court finds that Class Counsel and the Class representatives
19 adequately represented the Class for purposes of entering into and implementing the
20 Agreement.

21 8. The terms of the Agreement as approved by this final judgment shall
22 be forever binding on, and shall have *res judicata* effect and preclusive effect in, all
23 pending and future lawsuits or other proceedings that may be maintained by or on behalf
24 of the Plaintiffs or any Class Members, as well as their collective heirs, executors,
25 administrators, successors and assigns, relating to the Action and/or the Released Claims
26 (as defined in the Agreement).

27 9. The preceding paragraph of this Judgment covers, without limitation,
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1 any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or
2 any other counsel representing Plaintiffs or the Class Members, or incurred by Plaintiffs
3 or the Class Members, or any of them, in connection with or related in any manner to this
4 Action, the settlement of this Action, the administration of the settlement and/or the
5 Released Claims.

6 10. All Class Members who did not timely exclude themselves from the
7 Class are, from this day forward, hereby permanently barred and enjoined from:

8 (a) filing, commencing, prosecuting, intervening in, or participating in
9 (as class members or otherwise), any lawsuit in any jurisdiction based on or relating to:
10 (i) the claims and causes of action asserted or that could have been asserted in this Action;
11 (ii) the facts and circumstances relating to this Action; or (iii) the Released Claims, or

12 (b) organizing Class Members, or soliciting the participation of Class
13 Members, in a separate class for purposes of pursuing as a purported class action any
14 other lawsuit (including by seeking to amend a pending complaint to include class
15 allegations, or seeking class certification in a pending action in any jurisdiction) based on
16 or relating to: (i) the claims and causes of action asserted or that could have been asserted
17 in this Action; (ii) the facts and circumstances relating to this Action; or (iii) the Released
18 Claims.

19 11. Class Representatives are each awarded \$2,500 for their roles in this
20 litigation ("Incentive Fees"). Class Counsel and Local Counsel are hereby awarded the
21 total sum of \$4,425,000 in attorneys' fees, costs and expenses ("Attorneys' Fees and
22 Expenses"). Defendant shall pay the Incentive Fees and Attorneys' Fees and Expenses in
23 accordance with the Settlement Agreement. Defendant shall have no responsibility for
24 and no liability with respect to the allocation of Attorneys' Fees to Class Counsel or any
25 other person who may assert some claim thereto.

26 12. Neither this Judgment nor the Agreement (nor any document referred
27 to herein or any action taken to carry out this Final Judgment) is, may be construed as, or
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1 may be used as an admission by Defendant of the validity of any claim, of actual or
2 potential fault, wrongdoing or liability whatsoever. Entering into or carrying out the
3 Agreement and any negotiations or proceedings relating to the settlement shall not in any
4 event be construed as, or deemed to be evidence of, an admission or concession of the
5 Defendant and shall not be offered or received into evidence in any action or proceeding
6 against any party hereto in any court, judicial, administrative, regulatory hearing,
7 arbitration, or other tribunal or proceeding for any purpose whatsoever, except in a
8 proceeding to enforce the Agreement. This Final Judgment and the Agreement it
9 approves (including exhibits thereto) may, however, be filed in any action against or by
10 the Defendant to support a defense of *res judicata*, collateral estoppel, release, good faith
11 settlement, judgment bar or reduction, or any theory of claim preclusion or issue
12 preclusion or similar defense or counterclaim.

13 13. All individual claims by Class Members and all Class claims asserted
14 or that could have been asserted herein by Class Members, are hereby DISMISSED
15 WITH PREJUDICE, without fees, costs, or expenses to any party except as otherwise
16 provided herein. Pursuant to Rule 54(b), Fed. R. Civ. P., the Court finds that there is no
17 just reason for delay and expressly directs that this judgment be entered forthwith, without
18 prejudice to the rights of members of the Subclass consisting of persons who otherwise
19 fall within the Class definition but (a) to whom Notice of the Settlement inadvertently was
20 not mailed prior to the Settlement Approval hearing and (b) did not otherwise receive
21 timely notice of the Settlement.

22 DATED: April 14, 2009

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25 WILLIAM B. SHUBB
26 UNITED STATES DISTRICT JUDGE
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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

KELLY CASTILLO, NICHOLE BROWN,
BRENDA ALEXIS DIGIANDOMENICO,
VALERIE EVANS, BARBARA ALLEN,
STANLEY OZAROWSKI, and DONNA
SANTI, *Individually and on behalf of all
others similarly situated,*

Plaintiffs,

v.

GENERAL MOTORS CORPORATION,

Defendants.

Case No.: 2:07-CV-02142 WBS-GGH

**NOTICE OF MOTION AND MOTION
FOR ORDER (1) PRELIMINARILY
APPROVING CLASS ACTION
SETTLEMENT; (2) PROVISIONALLY
CERTIFYING SETTLEMENT CLASS; (3)
APPROVING CLASS NOTICE, CLAIM
FORM AND REQUEST FOR
EXCLUSION PROCEDURE; (4)
DIRECTING DISSEMINATION OF
CLASS NOTICE; AND (5) SETTING A
HEARING FOR FINAL APPROVAL OF
THE SETTLEMENT**

Date: September 2, 2008

Time: 2:00 p.m.

Ctrm: 5

Judge: William B. Shubb

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**NOTICE OF MOTION AND MOTION FOR
PRELIMINARY APPROVAL OF SETTLEMENT**

Plaintiffs Kelly Castillo, Nichole Brown, Brenda Alexis Digiandomenico, Valerie Evans, Barbara Allen (“Glisson”), Stanley Ozarowski, and Donna Santi (“Representative Plaintiffs”) hereby submit their Motion for Preliminary Approval of Class Action Settlement to the Honorable William B. Shubb of the United States District Court for the Eastern District of California, and request an Order:

- (1) preliminarily approving the class action Settlement;
- (2) provisionally certifying the Settlement Class;
- (3) approving the Class Notice, Final Notice, Claim Form and request for exclusion procedure and directing dissemination thereof; and
- (4) setting a hearing for final approval of the Settlement.

This Motion is based upon the Memorandum of Points and Authorities attached hereto, the attached executed Joint Stipulation of Settlement and Release, the records, pleadings and papers filed in this action and such other oral argument and documentary evidence as may be presented to the Court at the hearing of this Motion.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Representative Plaintiffs hereby seek preliminary approval of a proposed class action Settlement¹ with defendant General Motors Corporation (“GM”). Representative Plaintiffs filed this class action seeking to extend their vehicle warranties and obtain compensation for repairs

¹ A copy of the fully executed Joint Stipulation of Settlement and Release between Plaintiffs and Defendant is attached hereto as Exhibit 1.

1 because they and the Class had purchased certain Saturn vehicles with GM's VTi (variable
2 transmission intelligence) transmissions that Plaintiffs claim were defective. Subject to the
3 Court's approval, the settlement resolves claims against GM in exchange for complete or partial
4 reimbursement of costs associated with transmission malfunctions, past and future, at odometer
5 readings through 125,000 miles. GM will provide reimbursement for the following transmission
6 failure-related expenses:

- 7 1. Transmission repair
- 8 2. Transmission replacement
- 9 3. Transmission inspection
- 10 4. Towing
- 11 5. Replacement vehicle rental during repair period
- 12 6. Past trade-in loss

13 GM will reimburse owners (past and present) of both new and used Saturn vehicles containing
14 VTi transmissions at reimbursement rates of 100%, 75%, or 30%, depending on the mileage of
15 the vehicle at the time of malfunction and whether it was purchased new or used by the Class
16 Member. This settlement provides substantial relief to the Class and should be preliminarily
17 approved because it easily satisfies the applicable "range of possible approval" test for
18 preliminary approval. *Alaniz v. California Processors, Inc.*, 73 F.R.D. 269, 273 (N.D. Cal.
19 1976); 4 Newberg on Class Actions § 11.25 (4th ed. 2002) .

20 21 **II. FACTUAL BACKGROUND**

22 This case is a putative class action filed on October 10, 2007 by Representative Plaintiffs
23 on behalf of themselves and a class of current and former owners of Saturn vehicles with
24 allegedly defective transmissions. More specifically, the vehicles at issue are Model Year 2002-
25 2005 Saturn Vues and Model Year 2003-2004 Saturn Ions equipped with GM's VTi (variable
26 transmission intelligence) transmission. The VTi is a continuously variable transmission
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1 (“CVT”) utilizing a belt-and-pulley system, rather than traditional gears, to transmit torque from
2 the vehicle’s engine to the transaxle. Plaintiffs allege in their Complaint essentially that the VTi
3 transmissions were defective, that GM was aware but failed to disclose that they were defective,
4 and that the defect made the transmissions extremely prone to premature failure, often rendering
5 the vehicles completely immobile and frequently resulting in the need for transmission service or
6 replacement costing thousands of dollars. GM denies these allegations and filed a motion to
7 dismiss the complaint.

8 In April of 2007, an unhappy Saturn owner contacted The Lakin Law Firm, P.C. (“Class
9 Counsel”) about possible problems with the Saturn VTi transmission. *Schmieder Decl.* ¶2,
10 *attached as Exhibit 2*. Unbeknownst to counsel, that same customer apparently shared counsel’s
11 contact information with other customers via an internet website for Saturn owners, and counsel
12 soon were flooded with dozens of calls and e-mails from other unhappy Saturn customers
13 reporting similar problems and circumstances. *Id.* For the next six months, counsel consulted
14 extensively with Saturn customers, potential class representatives, and automotive industry
15 consulting experts. *Id.* In addition, counsel obtained and analyzed technical service bulletins,
16 general background literature regarding CVTs, and other documentation pertaining to the VTi.
17 *Id.* Once counsel had completed an exhaustive pre-suit investigation and had an adequate
18 understanding of the nature and scope of the problem, they ultimately filed this action in October
19 of 2007 on behalf of Plaintiffs Nichole Brown, Kelly Castillo, Barbara Glisson, and the proposed
20 Class. *Id.* Representative Plaintiffs Brenda Digiamdomenico, Valerie Evans, Stanley Ozarowski,
21 and Donna Santi were added upon filing of the First Amended Complaint on January 14, 2008.
22 *Id.*

23 Since April of 2007, more than 250 Saturn owners reporting failures of their VTi
24 transmissions have contacted Class Counsel’s firm, which has interviewed many of the owners,
25 collected documents from them, and often taken their recorded statements. *Ex. 2 at ¶3*. In
26 addition, since filing this action, Plaintiffs have served GM with extensive written discovery
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1 requests, thoroughly analyzed thousands of pages of documents produced by GM, deposited two
2 current GM executives familiar with the facts at issue, subpoenaed two of GM's third-party
3 vendors involved in manufacturing and testing the VTi, reviewed thousands of pages of
4 responsive third-party documents, interviewed numerous potential testifying experts, and read
5 numerous industry publications relating to CVT technology in general and the VTi in particular.
6 *Id.* Class Counsel have created an *Addendum* summarizing the results of their investigation and
7 discovery efforts pertinent to the negotiated relief for the Class. Class Counsel have requested
8 leave to file the *Addendum* under seal pursuant to the Court's Protective Order because it
9 contains information that GM considers proprietary and confidential. *See Doc. 46.*

10 The proposed Settlement was the culmination of protracted discussions between counsel
11 for the parties, extensive consultation with their respective clients, and thorough analysis of the
12 pertinent facts and applicable law. Counsel first met in Chicago on March 13, 2008 to discuss
13 discovery matters and the possibility of a settlement. *Ex. 2 at ¶4.* That full-day meeting did not
14 result in a resolution, however, and the parties continued to engage in discovery while
15 simultaneously working to coordinate the formal mediation that ultimately took place with Judge
16 Sabraw in San Francisco on May 21. *Id.*

17 The May 21 mediation took place before the Honorable Ronald Sabraw, former complex
18 litigation judge of Alameda County, California, from approximately 9:00 a.m. until
19 approximately 10:30 p.m. *Ex. 2 at ¶5.* The mediation, an arm's-length negotiation with
20 significant back-and-forth assistance from Judge Sabraw, resulted late in the day in agreement
21 regarding the substantial relief to the Class, and the signing of a term sheet memorializing the
22 basic terms of that agreement. *Id.* The term sheet provided, among other things, that incentive
23 awards to the Representative Plaintiffs, attorneys' fees and costs would be paid by GM in
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addition to (i.e., without diminishing) the relief to the Class. *Id.* The parties then negotiated the amount of the incentive awards for Representative Plaintiffs. *Id.* Finally, the parties began negotiations regarding the issue of attorneys' fees and costs. *Id.* Unable to resolve this issue by 10:30 p.m. on the day of the mediation, the parties continued telephonic negotiations for the next several days until ultimately reaching final agreement regarding attorneys' fees on June 5, subject to this Court's approval. *Id.*

III. DETAILED SUMMARY OF SETTLEMENT TERMS

The proposed Settlement is a nationwide class settlement. The relief available to Class Members consists of reimbursement by GM for both past and future out-of-pocket losses relating to the VTi. A loss relating to the VTi includes:

- Costs to inspect, repair or replace the VTi;
- Costs to rent a replacement vehicle or secure other transportation while the Saturn is/was being inspected or repaired;
- Costs to tow or transport the vehicle to inspect, repair or replace the VTi; and
- Past losses relating to trade-ins of vehicles with malfunctioning VTi transmissions.

GM agrees to reimburse Class Members who suffer a loss in accordance with the following chart:

Vehicle Mileage	GM Reimbursement (New Purchaser)	GM Reimbursement (Used Purchaser)
100,000 or less	100 percent	75 percent
100,101-125,000	75 percent	30 percent

The 125,000 mile outer mileage limit represents 89,000 miles beyond the 36,000-mile warranty that came with the vehicles when they originally were sold.² Counsel negotiated the mileage limits in accordance with what reasonable consumers generally expect transmissions to last—the primary premise underlying each of Plaintiffs’ pleaded legal theories. The thorough investigation of Class Counsel, industry experts, industry data, consultation with class members, and discovery obtained by Class Counsel all suggested that the average transmission lasts at least 100,000 miles and perhaps even 125,000 miles. *See Addendum*. GM, however, has argued that consumer expectations are legally irrelevant and that their legal rights are governed exclusively by the terms of the initial warranty, which in this case limited coverage to only 36,000 miles. *See Docs. 23, 29, 30 and 37*. The negotiated 125,000 mile threshold represents, at the very least, a compromise extremely favorable to the Class.

Under the proposed Settlement, there is no cap—either per-incident, per-vehicle, per-class member, or otherwise in the aggregate—on the cost of reimbursable expenses. A VTi transmission replacement costs thousands of dollars, with some replacement estimates reaching \$8,000.

To be reimbursable under the Settlement, a loss must occur within 125,000 vehicle miles and within the time periods in the following chart:

² The 125,000 mile outer mileage limit also represents 50,000 miles beyond GM’s voluntary extension of its manufacturer’s warranty from 36,000 to 75,000 miles beginning in March of 2004.

Model year	Coverage Limit	Date by Which Loss Must Occur
2002	8 years	Jan. 1, 2010
2003	8 years	Jan. 1, 2011
2004	8 years	Jan. 1, 2012
2005	7 years	Jan. 1, 2012

These time limits last at least four (4) years beyond the maximum 3-year warranty that Class Members who purchased new vehicles expected when they purchased their vehicles. These limits give each Class Member approximately the same temporal opportunity to reach the negotiated mileage limits and take full advantage of the negotiated relief. Transmission repair and related expenses will be reimbursed for up to approximately eight years beyond the model year for all but Model Year 2005. Due to engineering improvements, the Settlement provides seven (7) years of coverage for the Model Year 2005 vehicles. For past reimbursable expenses, Class Members must submit claim forms within one year of the effective date of the settlement. For future reimbursable expenses, Class Members must submit claim forms by March 1 following the dates listed in the “Date by Which Loss Must Occur” column in the chart above for the model year of the class vehicle.

Even if a Class Member does not incur a future reimbursable expense, the settlement still provides substantial relief. Class Counsel estimate that if a Class Member were to purchase an extended warranty for the relatively high mileages covered by the reimbursement provisions of the settlement, it would cost well in excess of \$1,000 per vehicle based on the cost of analogous

1 extended warranties.³ In other words, the proposed Settlement unquestionably provides
2 substantial relief to the Class.

3 GM will pay for all claims administration costs, including without limitation first class
4 direct mail notice to all Class Members, without in any way diminishing the class relief. Subject
5 to Court approval, GM also will pay class representative incentive awards in the amount of
6 \$2,500 per Representative Plaintiff, as well as attorneys' fees and costs in the amount of
7 \$4,425,000. Class representative incentive awards, attorneys' fees and costs will be paid in
8 addition to (i.e., without diminishing) the quite substantial relief to the Class.
9
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11 **IV. CLASS ACTION SETTLEMENT APPROVAL PROCEDURE**

12 A class action may not be dismissed, compromised or settled without the approval of the
13 Court. Fed.R.Civ.P. 23(e). Judicial proceedings under Federal Rule of Civil Procedure 23 have
14 led to a defined procedure and specific criteria for settlement approval in class action
15 settlements, described in the Manual for Complex Litigation, Fourth (Fed. Judicial Center 2006)
16 ("Manual"), § 21.63. The Manual's settlement approval procedure describes the following steps:
17

- 18 1. Preliminary fairness review of the proposed Settlement;
- 19 2. Dissemination of mailed and/or published notice of the
20 Settlement and formal fairness review to all affected Class
21 members; and

22 ³ While GM offers certain extended warranties up to 100,000 miles, GM does not even offer any extended
23 warranty options past 100,000 miles. *Ex. 2 at ¶6*. Moreover, to qualify for a GM extended warranty, an
24 owner must purchase it within the initial manufacturer's warranty period (3 years / 36,000 miles) or at the
25 time of vehicle purchase. *Id.* In order to obtain extended warranty coverage beyond 100,000 and up to
26 125,000 miles, Class Members would have to purchase costly third-party extended warranties. For
27 example, a Vue customer with 75,000 miles would have to purchase a 24 month / 24,000 mile powertrain-
28 only warranty for \$1,895, plus a 12 month / 12,000 mile warranty for \$1,729, plus another 12 month /
12,000 mile warranty for \$1,803 to take the vehicle through 125,000 miles at a total cost of \$5,427. *Id. at*
¶7.

1 3. A “formal fairness hearing,” or final settlement approval
2 hearing, at which Class members may be heard and evidence and
3 argument concerning the fairness, adequacy, and reasonableness of
4 the Settlement may be presented.
5

6 This procedure, commonly used by courts and endorsed by the leading class action commentator,
7 Professor Newberg, safeguards class members’ procedural due process rights and enables the
8 Court to fulfill its role as the guardian of class interests. *See*, 4 Newberg on Class Actions 4th
9 (2002) § 11.25.

10 The decision to approve or reject a proposed settlement is committed to the Court’s
11 sound discretion. *Hanlon v. Chrysler Corp.* 150 F.3d 1011, 1026 (9th Cir. 1998). Accordingly,
12 a court’s decision to approve a class action settlement may be reversed only upon a strong
13 showing of “clear abuse of discretion.” *Id.*; *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268,
14 1276 (9th Cir. 1992) (in context of class action settlement, appellate court cannot “substitute [its]
15 notions of fairness for those of the [trial] judge and the parties to the agreement,” and will
16 reverse only upon strong showing of abuse of discretion).

17 With this Motion, Representative Plaintiffs request that the Court take the first step in the
18 settlement approval process, and grant preliminary approval of the proposed Settlement. The
19 purpose of the Court’s preliminary evaluation of the proposed Settlement is to determine whether
20 it is within the “range of possible approval,” and whether the Class Notice setting forth the terms
21 and conditions of the Settlement, and the scheduling of a formal fairness hearing, are
22 worthwhile. *See Alaniz*, 73 F.R.D. at 273; 4 Newberg § 11.25.
23

24 Plaintiffs further request that the Court provisionally certify the proposed Settlement
25 Class, for purposes of settlement only, at this time. Provisional class certification is appropriate
26 at the preliminary approval stage where, as here, the proposed Settlement Class as defined in the
27 parties’ Settlement Agreement has not previously been certified by the Court, and the
28

requirements for certification are met. *See* 4 Newberg § 11.22. The practical purpose of provisional class certification is to facilitate dissemination to all members of the Settlement Class of Notice of the terms of the proposed Settlement, and the date and time of the final approval hearing. *See* Manual for Complex Litigation § 21.63 (4th ed. 2004). The additional rulings sought by this Motion — approving the content and dissemination of Class Notice and Claim Forms and scheduling a formal fairness hearing — facilitate the settlement approval process, and also are typically made at the preliminary approval stage. *See* 4 Newberg § 11.26. Neither formal notice nor a hearing is required for the Court to grant preliminary approval or provisional class certification; instead, the Court may grant such relief upon an informal application by the settling parties, and may conduct any necessary hearing in court or in chambers, at the Court's discretion. *See* Manual for Complex Litigation § 21.63 (4th ed. 2004).

The following schedule sets forth a proposed sequence for the relevant dates and deadlines, assuming this Court grants preliminary approval of the proposed Settlement by September 2, 2008. This sequence is also outlined in the proposed Order submitted herewith.

Date	Event
Within 90 days of Preliminary Approval	GM shall mail Notice to all class members
40 days after mailing of Class Notice	Deadline for submission of request to be excluded from the Settlement
40 days after mailing of Class Notice	Deadline for written objections to the Settlement
20 days before final approval hearing	Deadline for any objectors to provide notice of intention to appear and be heard at the final approval hearing

10 days before final approval hearing	Deadline for Plaintiffs to file and serve motion for final approval of Settlement, the request for incentive awards and the request for an award of attorneys' fees, costs and expenses
Date to Be Determined by the Court. Requested for the week of February 9, 2009, or earlier if the Court grants preliminary approval before September 2, 2008	Final approval hearing before Judge Shubb in Courtroom 5 of the United States District Court for the Eastern District of California
One year from Effective date	Deadline for submission of Claim Forms for Past Expenses
March 1 following the dates listed in the chart on pages 7 above	Deadlines for submission of Claim Forms for Future Expenses

V. PRELIMINARY APPROVAL OF THE SETTLEMENT IS APPROPRIATE.

The law favors settlement, particularly in class actions and other complex cases where substantial resources can be conserved by avoiding the time, cost and rigors of formal litigation. *See*, 4 Newberg § 11.41, at pp. 87-88 (and cases cited therein); *Class Plaintiffs v. City of Seattle*, 955 F.2d at 1276; *Van Bronkhorst v. Safeco Corp.*, 529 F.2d 943, 950 (9th Cir. 1976); *Potter v. Pacific Coast Lumber Co. of Cal.*, 37 Cal.2d 592, 602 (1951). These concerns apply with particular force in a case such as this, where the same product defect affected tens of thousands of people.

To grant preliminary approval of this class action Settlement, the Court need find only that the Settlement falls within the range of possible final approval, also described as “the range of reasonableness.” *See, e.g., In re Traffic Executive Association - Eastern Railroads*, 627 F.2d 631, 633-634 (2d Cir. 1980); *Alaniz*, 73 F.R.D. at 273; 4 Newberg § 11.25. To make this fairness determination, courts must give “proper deference to the private consensual decision of the parties,” since “the court’s intrusion upon what is otherwise a private consensual agreement negotiated between the parties to a lawsuit must be limited to the extent necessary to reach a

1 reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion
2 between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and
3 adequate to all concerned.” *See Hanlon*, 150 F.3d at 1027. Indeed, as “a settlement is the
4 offspring of compromise;” the question upon preliminary approval “is not whether the final
5 product could be prettier, smarter or snazzier, but whether is fair, adequate and free from
6 collusion.” *Id.* at 1027. *See also Hammon v. Berry*, 752 F. Supp. 1087 (D.D.C. 1990); *Steinberg*
7 *v. Carey*, 470 F. Supp. 471 (S.D.N.Y. 1979).

9 The Manual characterizes the preliminary approval stage as an “initial assessment” of
10 the fairness of the proposed settlement made by the court on the basis of written submissions and
11 informal presentation from the settling parties. The Manual summarizes the preliminary
12 approval criteria as follows:

13 If the preliminary evaluation of the proposed settlement does not
14 disclose grounds to doubt its fairness or other obvious deficiencies,
15 such as unduly preferential treatment of class representatives or of
16 segments of the class, or excessive compensation for attorneys, and
17 appears to fall within the range of possible approval, the court
18 should direct that notice . . . be given to the class members of a
formal fairness hearing, at which arguments and evidence may be
presented in support of and in opposition to the settlement.

19 *See Manual for Complex Litigation*, § 30.41 (3d ed. 1995), as quoted in 4 Newberg, § 11.25.

20 Indeed, there is a “strong presumption” that an agreed upon settlement is fair. *Cotton v. Hinton*,
21 559 F.2d 1326, 1331 (5th Cir. 1977). A preliminary review of the terms of the proposed
22 Settlement leaves no doubt about its fairness.

23 Here, the Settlement accomplishes *exactly* what Representative Plaintiffs requested—
24 reimbursement of VTi transmission repair and related expenses beyond the GM warranty. *See*
25 *Doc. 27, Prayers for Relief* (requesting the “amount of actual monetary damages” and “striking
26
27
28

the durational limits of the warranties”). The Settlement provides significant relief for all Class Members—whether a new purchaser, a used purchaser, an owner who has paid out-of-pocket, an owner who has not paid out-of-pocket yet, or an owner who traded-in a vehicle as a result of a malfunctioning VTi transmission. In addition, the Settlement provides significant relief to all owners of class vehicles regardless of State of residence or purchase. The Settlement provides Class Members with as much as 100% of their out-of-pocket expenses, and in no case less than 30%, through 125,000 miles.

The risk, expense, complexity, and likely duration of further litigation also support approval of the Settlement. GM has asserted significant legal and factual defenses, *Docs.23, 29, 30 and 37*, has moved to dismiss the complaint, voluntarily extended the new vehicle warranty to 5 years / 75,000 miles, and has raised many other issues regarding the merits and class certification during negotiations. Even with a relatively expedited trial date of August 25, 2009, continued litigation would not result in relief to the Class until much later. Considering the financial hardship of those who have already spent thousands of dollars to repair their vehicles and of those who have been unable to afford repairs, the Settlement provides swift relief to alleviate those financial burdens. The availability of relatively expedited relief under the Settlement represents an intangible benefit of the Settlement that would be unavailable through the avenue of further litigation.

In light of the risks, the Settlement provides the Class with substantial relief. The Settlement provides substantial class relief (often thousands of dollars per Class Member), up to 100% of a Class Member’s past and future out-of-pocket expense, including not only for transmission repair/replacement, but also for rental vehicles, towing expenses, and trade-in

1 losses. The specific amount of relief varies equitably based on the relief requested in the
2 complaint, the strengths and weaknesses of the various claims depending on specific
3 circumstances, and the results of the investigation and discovery conducted by Class Counsel.
4 Especially considering that the Class could not be guaranteed any relief at all if the case were to
5 proceed to trial, much less the substantial relief afforded by the negotiated Settlement, the
6 Settlement is eminently fair, reasonable, and adequate.
7

8 Class Counsel also have made an effort to notify all Class Members who previously
9 contacted them to discuss the Settlement. *Ex. 2 at ¶8*. The response has been overwhelmingly
10 favorable. *Id.* With knowledge of the strengths and weaknesses of this case, Class Counsel
11 believe that the Settlement provides substantial relief to the Class. The views of Class Counsel,
12 who are skilled attorneys with significant class action experience, are further bolstered by Judge
13 Sabraw's endorsement of the Settlement, through his involvement as mediator and otherwise.
14

15
16 **VI. THE PROPOSED CLASS NOTICE IS APPROPRIATE.**

17 **A. The Class Notice Satisfies Due Process Requirements.**

18 Due process and judicial interpretation of the notice provisions under California and federal
19 law require that notice be provided to class members by the best reasonable method available.
20 *See Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 176 (1974); *Cartt v. Superior Court*, 50
21 Cal.App.3d 960, 973-74 (1975). The notice plan here entails mailing the notice to all known and
22 reasonably ascertainable class members based on GM's records and DMV records in all 50 states
23 as available through Polk data. The Class Notice is consistent with class certification notices
24 approved by numerous state and federal courts, and is, under the circumstances of this case, the
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best notice practicable. The proposed Class Notice and Claims Process satisfy all due process requirements. *See Eisen*, 417 U.S. 156; *Cartt*, 50 Cal.App.3d 960.

B. The Proposed Class Notice Is Accurate And Informative.

The proposed Class Notice provides: (1) information on the meaning and nature of the proposed Settlement Class; (2) the terms and provisions of the Settlement; (3) the relief the Settlement will provide Settlement Class members; (4) the amount requested by Class Counsel for reimbursement of costs, attorneys' fees and for the Representative Plaintiffs' incentive awards; (5) the date, time and place of the final Settlement approval hearing, and the procedure and deadlines for submitting Claim Forms, Requests for Exclusion and comments and/or objections.

The Class Notice also fulfills the requirement of neutrality in class notices. *See* 3 Newberg § 8.39. It summarizes the proceedings to date and the terms and conditions of the Settlement, in an informative and coherent manner and in compliance with the Manual's statement that the notice should state essential terms "concisely and clearly . . . in plain, easily understood language." *See* Manual for Complex Litigation § 21.31 (4th ed. 2004). The Class Notice clearly states that the Settlement does not constitute an admission of liability by GM, and recognizes that the Court has not ruled on the merits of the action. It also states that the final settlement approval decision has yet to be made. Accordingly, the Class Notice complies with the standards of clarity, fairness, completeness, and objectivity required of a settlement class notice disseminated under authority of the Court. *See* Fed. R. Civ. P. 23[c][2]; 23[e]; 3 Newberg, §§ 8.21, 8.39; Manual for Complex Litigation, §§ 21.311, 21.312 (4th ed. 2004).

**VII. PAYMENT TO THE NAMED PLAINTIFFS FOR THEIR SERVICE TO THE CLASS IS
REASONABLE AND ROUTINELY AWARDED.**

Enhancement payments to representative plaintiffs in class action settlements are intended to recognize their level of risk, the time expended and the efforts undertaken on behalf of the class. “Courts routinely approve incentive awards to compensate named plaintiffs for the services they provide and the risks they incurred during the course of the class action litigation.” *See Ingram v. The Coca-Cola Co.*, 200 F.R.D. 685, 694 (N.D. Ga. 2001) (approving incentive awards of \$300,000 to each named plaintiff); *see also* Manual for Complex Litigation § 30.42 n.763 (3d ed. 1995) (noting that such awards “may sometimes be warranted for time spent meeting with class members or responding to discovery”). *See also Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294 (N.D. Cal. 1995) (approving a \$50,000 participation award). The much smaller \$2,500 incentive awards proposed in this case represent a small fraction of the value of the relief to the rest of the Class and are eminently reasonable.

**VIII. THE WORK PERFORMED BY PLAINTIFFS’ COUNSEL SUPPORTS THE REQUEST FOR
ATTORNEYS’ FEES.**

Only after the parties had reached agreement on the other settlement terms through a signed term sheet, Class Counsel then negotiated for their fees and costs to be paid by GM *in addition to* the class relief. The proposed notice will inform class members that Class Counsel will request an award of attorneys’ fees and costs in the amount of \$4,425,000. This amount is less than five percent (5%) of the value of the class relief, conservatively estimated by Class Counsel at more than \$100 million. The notice also informs class members that this request, like the other terms of the settlement, will be subject to Court approval. The Ninth Circuit has established an attorneys’ fees “benchmark” of twenty-five percent (25%) of the class relief. *See, e.g. Id.* at 297;

1 *Paul, Johnson, Alston & Hunt v. Gaulty*, 886 F.2d 268, 272 (9th Cir. 1989); *Six Mexican*
2 *Workers v. Arizona Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990). For purposes of
3 preliminary approval of the Settlement, the requested fees in an amount far below the established
4 Ninth Circuit benchmark are well within the range of reasonableness. Class counsel will prepare
5 and file a memorandum in support of the attorneys' fee request prior to the final approval
6 hearing.
7

8 **IX. A FINAL APPROVAL HEARING SHOULD BE SCHEDULED.**

9
10 The last step in the settlement approval process is the final approval hearing, at which the
11 Court may hear all evidence and argument necessary to evaluate the proposed Settlement. At
12 that hearing, proponents of the Settlement may explain and describe its terms and conditions and
13 offer argument in support of Settlement approval, and members of the Settlement Class, or their
14 counsel, may be heard in support of or in opposition to the Settlement. Class Counsel request
15 that the hearing be held during the week of February 9, 2009, or earlier if the Court grants
16 preliminary approval before September 2, 2008.
17

18 **X. CONCLUSION**

19 For all of the foregoing reasons, Plaintiffs respectfully request that this Court grant
20 preliminary approval of the proposed Settlement, certify the Settlement Class, approve the
21 proposed form of Class Notice, Final Notice and Claim Form, direct dissemination of Class
22 Notice, set the deadline for Requests for Exclusion and any objections to the Settlement, and
23 schedule the final approval hearing.
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1
2 **Dated: July 22, 2008**

Respectfully submitted,

3 THE LAKIN LAW FIRM, P.C.

4 s/ Robert W. Schmieder II

THE LAKIN LAW FIRM, P.C.

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Attorney for Plaintiffs

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

KELLY CASTILLO, NICHOLE BROWN,
BRENDA ALEXIS DIGIANDOMENICO,
VALERIE EVANS, BARBARA ALLEN,
STANLEY OZAROWSKI, and DONNA
SANTI, *Individually and on behalf of all
others similarly situated,*

Plaintiffs,

v.

GENERAL MOTORS CORPORATION,

Defendants.

Case No.: 2:07-CV-02142 WBS-GGH

CERTIFICATE OF SERVICE

I hereby certify that on July 22, 2008, I electronically filed the Notice of Motion and Motion for Order (1) Preliminarily Approving Class Action Settlement; (2) Provisionally Certifying Settlement Class; (3) Approving Class Notice, Claim Form and Request for Exclusion Procedure; (4) Directing Dissemination of Class Notice; and (5) Setting a Hearing for Final Approval of the Settlement with the Clerk of Court using the CM/ECF system, which will send notification of such filings(s) to the following:

Gregory Oxford
goxford@icclawfirm.com; arobinson@icclawfirm.com

Respectfully submitted,

s/ Robert W. Schmieder II
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Attorneys for Defendant
General Motors Corporation

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

KELLY CASTILLO, NICHOLE
BROWN, and BARBARA GLISSON,
*Individually and on behalf of all others
similarly situated,*

Plaintiffs,

v.

GENERAL MOTORS
CORPORATION,

Defendant.

Case No. 2:07-CV-02142 WBS-GGH

STIPULATION OF SETTLEMENT

Honorable William B. Shubb

1 This Stipulation of Settlement (the "Agreement") is made and entered into between
2 Plaintiffs Kelly Castillo, Nicole Brown, Barbara Glisson, Valerie Evans, Brenda Alexis
3 Digiandomenico, Stanley Ozarowski and Donna Santi, individually and as representatives
4 of the Class (as defined below), and General Motors Corporation on its own behalf and on
5 behalf of its subsidiaries and affiliates, including but not limited to Saturn Corporation and
6 Saturn Distribution Corporation (collectively "GM" or "Defendant"). The Agreement is
7 intended to fully, finally and forever resolve, discharge and settle the lawsuit styled *Kelly*
8 *Castillo, et al. v. General Motors Corporation*, Case No. 2:07-CV-02142 WBS-GGH,
9 pending in the United States District Court for the Eastern District of California (the
10 "Action") and all matters raised or that could have been raised therein, subject to the terms
11 and conditions hereof and approval by the Court.

12 I. BACKGROUND

13 1. Plaintiffs Castillo, Brown and Glisson originally filed this Action
14 individually and on behalf of a proposed class of all residents of the states of California,
15 Florida, Georgia, Illinois, Massachusetts, Missouri, Michigan, New Jersey, New York,
16 North Carolina, Ohio or Oklahoma who own or have owned a 2002, 2003, 2004 or 2005
17 Saturn VUE or a 2003 and 2004 Saturn ION equipped with a continuously variable VTi
18 transmission (the "Class Vehicle" or "Vehicle"). These and four other plaintiffs (Ms.
19 Evans, Ms. Digiandomenico, Mr. Ozarowski and Ms. Santi) later filed a First Amended
20 Complaint which added residents of Virginia to the proposed class. Contemporaneously
21 herewith, plaintiffs are filing a Second Amended Complaint on behalf of a proposed
22 nationwide class which is further described below.

23 2. Plaintiffs allege that the Vehicles are defective because the VTi transmission
24 is prone to "premature" failure. They claim that GM is liable to alleged class members for
25 damages under state consumer protection statutes and on breach of warranty and unjust
26 enrichment theories. GM denies that there is any defect or that it is liable to plaintiffs or
27 members of the proposed Class on any theory. In March 2004, however, GM voluntarily
28 extended the limited new vehicle warranty for the VTi transmission from 3 years or

1 36,000 miles, whichever comes first, to 5 years or 75,000 miles, whichever comes first.
2 GM contends that state consumer protection statutes do not apply in this case, that it is
3 satisfying all of its warranty obligations by performing its duties under the extended new
4 vehicle warranty and that plaintiffs' unjust enrichment theory cannot enlarge its legal
5 obligations beyond those provided by the warranty.

6 3. Both before and after commencing the Action Class Counsel (as that term is
7 defined below) conducted an extensive examination and evaluation of the relevant law
8 and facts in order to assess the merits of Plaintiffs' claims and GM's defenses and to
9 determine how best to serve the interests of Plaintiffs and the proposed Class. That
10 examination and evaluation included: (i) interviews of hundreds of Class Members; (ii)
11 consultation with automotive and damages experts; (iii) research into various technical
12 issues; (iv) depositions of GM employees knowledgeable concerning the VTi
13 transmission; (v) review of thousands of pages of documents produced by GM; and (vi)
14 review of voluminous documents that Class Counsel subpoenaed from third parties.
15 Based on this investigation, Plaintiffs and Class Counsel are satisfied that the Agreement
16 is based upon an appropriate analysis of the facts and law and that this Agreement is in the
17 best interests of the Class.

18 4. Plaintiffs and Class Counsel have agreed to settle the Action pursuant to the
19 provisions of the Agreement, and subject to court approval, after considering such factors
20 as: (i) the benefits to Plaintiffs and the Class under the terms of the Agreement; (ii) the
21 uncertainty of being able to prove the allegations made in the Action, and the uncertainty
22 of being able to overcome the factual and legal defenses thereto; (iii) the inherent risks
23 and uncertainty of complex litigation such as the Action; (iv) the difficulties, risks and
24 delays inherent in such litigation; (v) the desirability of consummating the Agreement
25 promptly in order to provide expeditious relief to plaintiffs and the Class; (vi) the fact that
26 GM has consistently and vigorously disputed Plaintiffs' substantive legal and factual
27 allegations; and (vii) the significant expense and time necessary to prosecute the litigation
28 through trial and appeal. Plaintiffs and Class Counsel believe that settlement in

1 accordance with the terms of the Agreement is desirable and in the best interests of the
2 Class and preferable to continuing with protracted and uncertain litigation and that the
3 settlement terms are fair and reasonable and provide substantial and immediate relief to
4 the Class. The Agreement has been reached after substantial, good faith, arms-length
5 negotiations, including mediation before the Honorable Ronald Sabraw, Judge of the
6 Alameda County Superior Court (Ret.) (the "Mediator").

7 5. GM expressly denies any wrongdoing and does not admit or concede any
8 actual or potential fault, wrongdoing or liability in connection with any facts or claims
9 that have been or could have been alleged against it in the Action, and GM denies that
10 plaintiffs or any Class Members have suffered damage or were harmed by the conduct
11 alleged. GM has concluded, however, that it is desirable to settle the Action upon the
12 terms and conditions set forth herein because it will (i) fully resolve all claims that were or
13 could have been raised in the Action; (ii) avoid the expense, burdens and uncertainties of
14 continued litigation; and (iii) promote customer satisfaction with Saturn vehicles.

15 6. Plaintiffs and GM therefore stipulate and agree that, subject to the approval
16 of the Court, the Action shall be compromised, settled, released, and dismissed with
17 prejudice upon and subject to the following terms and conditions:

18 II. DEFINITIONS

19 As used in this Agreement and the exhibits hereto the following terms have the
20 meanings specified below:

21 1. "Action" means the lawsuit styled *Kelly Castillo, et al. v. General Motors*
22 *Corporation*, Case No. 2:07-CV-02142 WBS-GGH, pending in the United States District
23 Court for the Eastern District of California.

24 2. "Class" or "Class Members" means all persons who are residents of the
25 United States and who as of the date of entry of the Preliminary Approval Order (as
26 defined in paragraph 5 below) own or have owned a Class Vehicle (as defined in
27 paragraph 3 below) except that the Class shall exclude (i) any person, firm, trust,
28 corporation, or other entity that purchased Class Vehicles from GM, or any entity related

1 or affiliated with GM, for resale or fleet purposes (including without limitation any
2 authorized Saturn Retailer) and (ii) any person who has instituted an action for damages
3 for property damage or personal injury against GM in connection with a VTi transmission.

4 3. "Class Vehicles" and "Vehicles" mean 2002 through 2005 model year
5 Saturn VUEs equipped with VTi transmissions and 2003 through 2004 model year Saturn
6 IONs equipped with VTi transmissions.

7 4. "Judgment" means the judgment, substantially in the form attached hereto
8 as Exhibit A, to be entered by the Court in the Action finally approving this Agreement
9 and dismissing the Action with prejudice.

10 5. "Preliminary Approval Order" means the Court's order preliminarily
11 approving the terms of this Agreement as fair, adequate, and reasonable, including the
12 Court's approval of the form and manner of giving notice to Class Members, substantially
13 in the form attached hereto as Exhibit B.

14 6. "Effective Date" means ten (10) business days after the later of (a) the date
15 upon which the time for seeking appellate review of the Judgment (by appeal or
16 otherwise) shall have expired; or (b) the date upon which the time for seeking appellate
17 review of any appellate decision affirming the Judgment (by appeal or otherwise) shall
18 have expired and all appellate challenges to the Judgment shall have been dismissed with
19 prejudice without any person having any further right to seek appellate review thereof (by
20 appeal or otherwise).

21 7. "Class Notice" means the notice, substantially in the form attached hereto as
22 Exhibit C, provided to Class Members after issuance of the Preliminary Approval Order.

23 8. "Final Notice" means the notice substantially in the form attached hereto as
24 Exhibit D that will be provided to Class Members after the Effective Date.

25 9. "Claim Form" means the forms attached hereto as Exhibits E-1 and E-2, to
26 be sent to Class Members who purchased their Vehicles new or used, respectively, along
27 with the Final Notice.
28

1 10. “Class Counsel” means The Lakin Law Firm, P.C., 300 Evans Avenue, P.O.
2 Box 229, Wood River, Illinois 62095, who are the lead attorneys of record representing
3 the interests of Plaintiffs and Class Members.

4 11. “Local Counsel” means Kershaw, Cutter & Ratinoff, LLP, 401 Watt
5 Avenue, Sacramento, California 95864, who are the local attorneys of record representing
6 the interests of Plaintiffs and Class Members.

7 12. “Defendant’s Counsel” means Isaacs Clouse Crose & Oxford LLP, 21515
8 Hawthorne Boulevard, Suite 950, Torrance, California 90503, who are the attorneys of
9 record representing GM.

10 13. “Authorized Saturn Retailer” means any Saturn Retailer in the United States
11 that is a signatory to an existing and effective Saturn Retailer Agreement.

12 14. “Released Claims” means any and all past, present, and future claims,
13 demands, causes of actions or liabilities, including but not limited to those for alleged
14 violations of any state or federal statutes, rules or regulations, and all common law claims,
15 including Unknown Claims as defined herein, based on or related in any way to (a) the
16 operation, design, durability, reliability, repair, value or performance of VTi transmissions
17 in Class Vehicles or (b) the factual allegations and legal claims that were made or could
18 have been made in the Action. Released Claims do not include any claim, demand or
19 cause of action against GM for property damage or personal injury in connection with a
20 VTi transmission.

21 15. “Unknown Claims” means any Released Claim that any plaintiff or Class
22 Member does not know or suspect to exist in his, her or its favor at the time of the release
23 provided for herein, including without limitation those that, if known to him, her or it,
24 might have affected his, her or its settlement and release pursuant to the terms of this
25 Agreement, or might have affected his, her or its decision not to object to the settlement
26 terms memorialized herein.

27 16. “Attorneys’ Fees and Expenses” means the amount awarded by the Court to
28 Class and Local Counsel to compensate them, and any other attorneys for plaintiffs or the

1 Class, and is inclusive of all attorneys' fees, costs and expenses of any kind in connection
2 with the Action. Attorneys' Fees and Expenses will not under any circumstances exceed
3 the sum of \$4,425,000.00.

4 17. "Fairness Hearing" means the hearing at which the Court will consider and
5 approve the Agreement as fair, reasonable, and adequate, certify the Class, award
6 Attorneys' Fees and Expenses, enter the Final Judgment, and make such other final
7 rulings as are contemplated by this Stipulation.

8 **III. CLASS RELIEF, ATTORNEYS' FEES AND COSTS**

9 1. The relief available to Class Members under the terms of this Stipulation is
10 reimbursement for certain out-of-pocket expenses and losses relating to the VTi
11 transmissions of Class Vehicles. Reimbursable expenses include (a) costs to inspect,
12 repair or replace a malfunctioning VTi transmission ("repair costs"), (b) costs to rent a
13 replacement vehicle or secure other transportation while the malfunctioning VTi
14 transmission was or is being inspected, repaired or replaced ("rental costs"), (c) costs to
15 tow or transport the Class Vehicle to the place where the malfunctioning VTi transmission
16 was or is being inspected, repaired or replaced ("towing costs") and (d) documented
17 expenses relating to the trade-in of a Class Vehicle with a VTi transmission failure at time
18 of trade-in as further limited and defined below ("trade-in costs"). To be reimbursable,
19 repair, rental, towing and trade-in costs relating to the VTi transmission ("Reimbursable
20 Expenses") must be incurred by the Class Member within 125,000 miles after the original
21 retail sale or lease of the Class Vehicle or within the time limitations set forth in Chart A
22 below, whichever occurs first. The relief available to Class Members shall be personal to
23 each Class Member, and shall not under any circumstances be assignable to any other
24 person, third party or other entity and GM shall have no liability to provide any such relief
25 whatsoever to any third person whether based on a purported assignment, subrogation or
26 any other legal theory.

1 A. Past Reimbursable Expenses

2 GM will reimburse Class Members who incur Reimbursable Expenses for repair,
3 rental and towing costs relating to a VTi transmission on or before the date of Final
4 Judgment ("Past Reimbursable Expenses") based on the percentages shown in Chart B
5 below. To obtain reimbursement, the Class Member must submit a Claim Form (*see*
6 Exhibits E-1 and E-2) and submit as proof of the Reimbursable Expenses the Saturn
7 Retailer or other repair shop bills showing the date, mileage and amount of the
8 malfunctioning VTi transmission inspection, repair and/or replacement costs paid by the
9 Class Member as well as receipts showing the rental and towing costs, if any, incurred by
10 the Class Member. All Past Reimbursable Expense claims must be submitted within one
11 (1) year after the Effective Date. GM shall use, or cause any claims administrator to use,
12 its best efforts to issue Past Reimbursable Expense checks to the Class Member as soon as
13 practicable, but in no event more than thirty (30) days from the date the Claim Form and
14 proof of loss is received.

15 B. Past Trade-In With VTi Transmission Malfunction Reimbursement

16 To claim reimbursement for "trade-in expense," the Class Member must submit a
17 Claim Form (*see* Exhibits E-1 and E-2) and provide contemporaneous dealer
18 documentation including (1) a sales contract including the Vehicle Identification Number
19 ("VIN") of the Class Vehicle that was traded in and (2) a contemporaneous repair estimate
20 referencing the same VIN dated on or before the trade-in date showing a transmission
21 malfunction. The reimbursement shall equal the repair estimate multiplied by the
22 appropriate percentage from Chart B based on the Vehicle's mileage and the Class
23 Member being either a new or used Vehicle purchaser. Class Members may seek
24 reimbursement of trade-in losses only upon proof that the Class Vehicle was traded-in
25 before the date Class Notice was mailed to potential Class Members. All claims for
26 reimbursement of trade-in expense must be submitted within one (1) year after the
27 Effective Date. GM shall use, or cause any claims administrator to use, its best efforts to
28 issue Past Trade-In With VTi Transmission Malfunction Reimbursement checks to the

1 Class Member as soon as practicable, but in no event more than thirty (30) days from the
2 date the Claim Form and proof of loss is received.

3 C. Future Reimbursable Expenses

4 GM will reimburse Class Members who incur an expense relating to a VTi
5 transmission after the date of Final Judgment (except trade-in expense) ("Future
6 Reimbursable Expenses") based on the percentages shown in Chart B below. To obtain
7 reimbursement, the Class Member must submit a Claim Form (*see* Exhibits E-1 and E-2)
8 and submit as proof of the repair expense the Saturn Retailer or other repair shop bills
9 showing the date, mileage and amount of the malfunctioning VTI transmission inspection,
10 repair and/or replacement costs paid by the Class Member as well as receipts showing the
11 rental and towing costs, if any, incurred by the Class Member. GM shall use, or cause
12 any claims administrator to use, its best efforts to issue Future Reimbursable Expense
13 checks to the Class Member within ten (10) General Motors business days of the date the
14 Claim Form and proof of loss is received. Upon written request by the Class Member,
15 GM shall also issue Future Reimbursable Expense checks payable jointly to the Class
16 Member and a Saturn Retailer or other repair shop. All Future Expense Reimbursement
17 claims must be for expenses incurred by the Class Member before the dates set forth in
18 Chart A below and must be submitted no later than the first day of March following the
19 date specified in Chart A for the applicable model year Class Vehicle.

20 CHART A

21

<u>Model Year</u>	<u>Date Before Which Expense is Reimbursable</u>
2002	January 1, 2010
2003	January 1, 2011
2004	January 1, 2012
2005	January 1, 2012

22
23
24
25
26
27
28

CHART B

<u>Vehicle Mileage</u> ¹	<u>GM Reimbursement (New)</u>	<u>GM Reimbursement (Used)</u>
100,000 or less	100 percent	75 percent
100,101-125,000	75 percent	30 percent

3. For each VTi transmission repair or replacement using genuine Saturn or GM parts, such replacement parts will be covered by the standard GM Service Parts Operations warranty for a period of 12 months or 12,000 miles, whichever comes first.

4. For a claim involving a Past Reimbursable Expense, a Past Trade-in With Transmission Malfunction Expense, or a Future Reimbursable Expense incurred prior to the Effective Date, GM has the right to reduce the amount to be reimbursed by any amount previously paid by GM or any affiliate of GM for that same expense. GM, however, has no right to reduce any other Future Reimbursable Expense claim incurred by the Class Member subject to appropriate verification of the amount of the expenses and the Class Member's Eligibility for reimbursement. Notwithstanding the foregoing provisions, GM shall have the right to enforce fully the terms of any release, judgment, arbitration award or other adjudication obtained in connection with any Class Member's prior claim relating to the alleged malfunction of a VTi transmission.

5. GM in addition to all other relief provided herein shall pay all costs of Class Notice and claims administration, which payments shall not diminish any relief provided to Class Members under paragraphs 1 through 3 above. GM subject to the terms of the Preliminary Approval Order shall use its best efforts to direct or cause to be directed first-class mail notice to Class Members based on vehicle registration data to be obtained from The Polk Company ("Polk") and updated using the U.S. Postal Service's NCOA (National Change of Address) data base. Within a reasonable time following the Effective Date, GM also agrees to provide appropriate notification to authorized Saturn Retailers. GM may at its option select a Claims Administrator or process claims internally, in either case

¹ Mileage at time Past or Future Reimbursable Expense is incurred.

1 subject to appropriate notice to and consultation with Class Counsel, who shall have the
2 right to monitor claims administration. GM or its designee will process Claim Forms
3 submitted by Class Members and determine if the Class Member is eligible for any of the
4 relief available under the Agreement. With respect to any claim denials that are disputed
5 by the Class Member or any disputes concerning reimbursement rates, GM and Class
6 Counsel will use reasonable efforts to resolve the dispute, but if no resolution is reached,
7 then the dispute will be submitted to the Mediator (or in his absence another JAMS
8 neutral approved by GM and Class Counsel), who the parties and Class Members agree
9 will have authority to render a binding and final decision in the nature of a non-appealable
10 arbitration award.

11 6. GM agrees to provide appropriate notice to governmental officials pursuant
12 to the terms of the Class Action Fairness Act.

13 7. After an agreement was reached as to the principal terms and conditions of
14 this Agreement, and with the assistance of the Mediator, the Parties entered into
15 discussions regarding incentive payments to the named plaintiffs in the Action ("Incentive
16 Fees") and Attorneys' Fees and Expenses for Class and Local Counsel, as described
17 herein. Pursuant to those discussions, prior to the Fairness Hearing and entry of the
18 Judgment, Class Counsel agree to apply to the Court for an award of Incentive Fees to the
19 named Plaintiffs and for an award of Attorneys' Fees and Expenses. GM agrees not to
20 oppose either application provided that Class Counsel do not request an award of
21 Incentive Fees in excess of \$2,500 per Plaintiff and do not request a total and all-inclusive
22 Attorneys' Fees and Expenses award exceeding the sum of \$4,425,000.00. Subject to the
23 other terms of this Agreement, GM agrees to pay the Incentive Fees and Attorneys' Fees
24 and Expenses awarded by the Court provided that the awards do not exceed these
25 amounts. Such payments will not reduce benefits available to Class Members nor will
26 Class Members be required to pay any portion of the Attorneys' Fees and Expenses. The
27 Class Notice will advise the Class Members of Class Counsel's intent to seek awards of
28 Attorneys' Fees and Expenses and Incentive Fees for the named plaintiffs, including the

1 amounts thereof. The amounts awarded by the Court shall not affect the other terms of
2 the settlement which shall remain in full force and effect.

3 8. The Incentive Fees and Attorneys' Fees and Expenses, as awarded by the
4 Court, shall be paid to Class Counsel by GM after the entry of the Judgment and within
5 ten (10) business days after the Effective Date, contingent on receipt of appropriate
6 taxpayer identification information. In no event shall GM pay or be required to pay any
7 other attorneys' fees, costs or expenses to Class Counsel, Local Counsel, or any other
8 attorney purporting to represent any plaintiff.

9 9. Class Counsel will allocate and distribute the award of Attorneys' Fees and
10 Expenses among all other counsel of record and/or for Plaintiffs. GM shall have no
11 responsibility for and no liability with respect to the allocation of the Attorneys' Fees and
12 Expenses among Class Counsel, Local Counsel, or any counsel representing Plaintiffs,
13 and GM takes no position with respect to such matters. GM's sole obligation will be to
14 pay the Attorneys' Fees and Expenses to Class Counsel that are awarded by the Court and
15 that are not in excess of \$4,250,000.00 and the Incentive Fees to the named Plaintiffs that
16 are not in excess of \$2,500.00 per Plaintiff.

17 10. GM shall have no liability or obligation to pay any fees, expenses, costs or
18 disbursements to, or incur any expense on behalf of, any person, either directly or
19 indirectly, in connection with this Action, the Agreement, or the proposed settlement,
20 other than the amounts expressly provided for in the Agreement.

21 11. Promptly after execution, plaintiffs and GM shall submit this Agreement
22 and its exhibits to the Court and jointly apply for a Preliminary Approval Order which
23 contains substantially all of the terms and provisions in Exhibit B attached hereto,
24 including approving the Class Notice, Final Notice, Claim Form, notification procedure,
25 and the provisions for Class Members to opt out or object as set forth herein. The Parties
26 will request that the Court set a Fairness Hearing promptly after the necessary mailing
27 information is obtained by Polk and a schedule for mailing Class Notice is established.
28

12. Each Plaintiff and Class Member stipulates and agrees that, upon the Effective Date, he, she, or it shall be deemed to have, and by operation of the Judgment shall have, released, waived and discharged his, her or its Released Claims as defined herein and shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California Civil Code, and of any similar law of any other state, which provides: "a general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." Upon entry of the Judgment, each Plaintiff and Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by any law of the United States, or any state of the United States, or principle of common law that is similar, comparable or equivalent to section 1542 of the California Civil Code. Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he or she now knows or believes to be true with respect to the subject matter of the Released Claims, but each Plaintiff and Class Member, upon entry of the Judgment, shall be deemed to have, and by operation of law shall have, fully, finally and forever settled, released and discharged any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist or heretofor may have existed upon any theory of law or equity now existing or coming into existence in the future, including but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

13. Plaintiffs reserve the right to conduct reasonable confirmatory discovery.

IV. REQUESTS FOR EXCLUSION

1. Any putative Class Member who wishes to be excluded from the Class must deliver a written request for exclusion to Class Counsel, and the same must be postmarked

1 within 40 days following the date of mailing of the Class Notice. Copies of any requests
2 for exclusion received by Class Counsel shall be forwarded immediately to GM's counsel.
3 Class Counsel shall file with the Court a list of all Class Members who requested
4 exclusion at least five (5) business days before the Fairness Hearing.

5 2. Any putative Class Member who does not file a timely written request for
6 exclusion shall be bound by all subsequent proceedings, orders and judgments in the
7 Action.

8 3. Pending Court approval of this Agreement at the Fairness Hearing, all
9 potential Class Members who do not timely exclude themselves from the Class are
10 preliminarily enjoined and barred (i) from filing, commencing, prosecuting, intervening
11 in, or participating as class members in, any lawsuit in any jurisdiction based on or
12 relating to the claims and causes of action, or the facts and circumstances relating thereto,
13 in this Action and/or the Released Claims; and (ii) from filing, commencing or
14 prosecuting any other lawsuit as a class action on behalf of Class Members (including by
15 seeking to amend a pending complaint to include class allegations or seeking class
16 certification in a pending action) based on or relating to the claims and causes of action, or
17 the facts and circumstances relating thereto, in this Action and/or the Released Claims.

18 V. OBJECTIONS TO SETTLEMENT

19 1. Any Class Member who has not submitted a timely written request for
20 exclusion and who wishes to object to the Agreement, the proposed settlement, or to the
21 request for Attorneys' Fees and Expenses, must serve a written objection that must be
22 postmarked no later than 40 days following the date of mailing of the Class Notice.
23 Written objections must include: (i) the objector's name, address and telephone number;
24 (ii) the Vehicle Identification Number of the vehicle that makes the objector a member of
25 the Class; (iii) the name of this case and the case number, (iv) a statement of each
26 objection; and (v) a statement of the specific reasons, if any, for each objection, including
27 any legal and factual support the objector wishes to bring to the Court's attention and any
28 evidence the objector wishes to introduce in support of the objection(s). If the objection is

1 presented through an attorney, the written objection must also include: (i) the identity and
2 number of Class Members represented by objector's counsel; (ii) the number of such
3 represented Class Members who have opted out of the settlement; (iii) the number of such
4 represented Class Members who have remained in the settlement and have not objected;
5 (iv) the date the objector's counsel assumed representation for the objector, and (v) a list
6 of the names of all cases where the objector's counsel has objected to a class action
7 settlement in the last three years. Objecting Class Members must also make themselves
8 available for deposition by Class Counsel and/or GM's counsel in their county of
9 residence, between the time the objection is filed and seven (7) days before the date of the
10 Fairness Hearing.

11 2. Any Class Member who properly files and serves a written objection may
12 appear at the Fairness Hearing, either in person or through a personal counsel hired at the
13 Class Member's sole expense, to object to the fairness, reasonableness, or adequacy of the
14 Agreement or the proposed settlement, or to the request for Attorneys' Fees and Expenses.
15 Class Members, or their attorneys, intending to make an appearance at the Fairness
16 Hearing, must deliver to Class Counsel and Defendant's Counsel, and have file-stamped
17 by the Court, no later than 20 days before the Fairness Hearing or as the Court otherwise
18 may direct, a Notice of Intention to Appear. The Notice of Intention to Appear must: (i)
19 state how much time the Class Member and/or their attorney anticipates needing to
20 present the objection; (ii) identify, by name, address, telephone number and detailed
21 summary of testimony, any witnesses the Class Member and/or their attorney intends to
22 present any testimony from; and (iii) identify all exhibits the Class Member and/or their
23 attorney intends to offer in support of the objection and attach complete copies of all such
24 exhibits.

25 3. Any Class Member and/or their attorney who fails to comply with the
26 provisions of the foregoing paragraphs 1 and 2 shall be deemed to have waived and
27 forfeited any and all rights he or she may have to appear separately and/or object, and
28 shall be bound by all the terms of the Agreement.

VI. GENERAL PROVISIONS

1. The terms and provisions of the Agreement may only be amended, modified or expanded by written agreement signed on behalf of all Parties.

2. The Agreement will terminate at the sole option and discretion of GM or plaintiffs if: (i) the Court, or any appellate court(s), rejects, modifies or denies approval of any material portion of the Agreement or the proposed settlement (except for the award of Attorneys' Fees and Expenses, as to which the provisions of paragraph III-7 shall control), including, without limitation, the terms of relief, the findings of the Court, the provisions relating to notice, the definition of the Class and/or the scope or terms of the Released Claims; or (ii) the Court, or any appellate court(s), does not enter or affirm, or alters or expands, any material portion of the Final Judgment. The terminating party must exercise the option to withdraw from and terminate the Agreement, no later than 10 business days after receiving notice of the event prompting the termination.

3. GM may elect to terminate the Agreement if it is required to pay any amount or take any action not agreed upon herein by the Parties, or if more than 5% of Class Members opt out of the Class.

4. If the Agreement is terminated, then the Agreement shall be null and void and shall have no force or effect, and no party to the Agreement shall be bound by any of its terms, and:

- a. The Agreement, all of its provisions, and all negotiations, statements and proceedings relating to it shall be without prejudice to the rights of GM, plaintiffs or any other Class Member, all of whom shall be restored to their respective positions existing immediately before the execution of the Agreement;
- b. GM reserves all defenses, arguments and motions as to all claims that have been or might later be asserted in the Action, including (without limitation) any argument that the Action may not be litigated as a class action;
- c. Plaintiffs reserve all claims that have been or might later be asserted in the Action, as well as all motions relating thereto and arguments in support thereof;

1 d. Neither the Agreement, nor the fact of its having been
2 made, shall be admissible or entered into evidence for
3 any purpose whatsoever, and the settlement
4 negotiations shall remain confidential; and

5 e. Any order or judgment entered as a result of the
6 Agreement will be deemed vacated and will be without
7 force or effect, and shall be inadmissible into evidence
8 for any purpose whatsoever.

9 5. The Agreement shall be governed by and interpreted according to the laws
10 of the State of California, notwithstanding its conflict of law provisions.

11 6. If any disputes arise regarding the implementation or interpretation of this
12 Agreement, the parties agree to use reasonable efforts to resolve the dispute, including
13 consultation with the Mediator, and if no agreement can be reached, the dispute will be
14 submitted to the Court, which will retain continuing jurisdiction to resolve such disputes.

15 7. Whenever the Agreement requires or contemplates that one Party shall or
16 may give notice to the other, notice shall be provided by facsimile and/or next-day
17 (excluding weekends and holidays) express delivery service as follows:

18 a. If to Defendant, then to:

19 L. Joseph Lines, III
20 General Motors Corporation
21 Mail Code 482-026-601
22 400 Renaissance Center
23 P.O. Box 400
24 Detroit, Michigan 48265-4000

Gregory R. Oxford
Isaacs Clouse Crose & Oxford LLP
21515 Hawthorne Boulevard, Suite 950
Torrance, California 90503
(310) 316-1990
(310) 316-1330 (FAX)

25 b. If to Plaintiffs, then to:

26 Robert W. Schmieder II
27 Mark L. Brown
28 The Lakin Law Firm
300 Evans Avenue
P.O. Box 229
Wood River, Illinois 62095
(618) 254-1127
(618) 254-0193 (FAX)

8. The Parties reserve the right, subject to the Court's approval, to agree upon
any reasonable extensions of time that might be necessary to carry out any of the
provisions of the Agreement.

1 9. All parties agree that this Agreement was drafted jointly by counsel for the
2 parties at arm's length and that the Agreement including its Exhibits constitutes the sole
3 agreement between the parties concerning the subject matter hereof. Further, the parties
4 intend and agree that this Agreement including its Exhibits is a fully integrated agreement,
5 that there are no other agreements, written or oral, between the parties concerning this
6 subject matter, that this Agreement shall not be modified or amended except by a signed
7 writing executed by or on behalf of all parties, and that no representations, warranties or
8 inducements have been made to any party concerning the settlement, Agreement or
9 exhibits thereto other than are contained in the Agreement and exhibits.

10 10. In no event shall the Agreement, any of its provisions or any negotiations,
11 statements, or court proceedings relating hereto in any way be construed as, offered as,
12 received as, or used as an admission of liability in any judicial, administrative, regulatory,
13 arbitration or other proceeding. Further, this Agreement shall not be offered or admitted
14 into evidence in any proceeding, except the proceeding to seek court approval of this
15 settlement or in a proceeding to enforce the terms of the settlement.

16 11. The parties, their successors and assigns, and their attorneys undertake to
17 implement the terms of the Agreement in good faith, and to use good faith in resolving
18 any disputes that may arise in the implementation of the terms of the Agreement.

19 12. The parties, their successors and assigns, and their attorneys agree to
20 cooperate fully with one another in seeking Court approval of the Agreement and to use
21 their best efforts to effect the prompt consummation of the Agreement and the proposed
22 settlement.

23 13. Each person executing this Agreement warrants that he or she has the
24 authority to do so.

25 14. The Agreement may be signed in counterparts, each of which shall
26 constitute a duplicate original.
27
28

1 APPROVED AND AGREED TO BY AND ON BEHALF OF PLAINTIFFS

2
3 Date: July 17, 2008

4 THE LAKIN LAW FIRM, P.C.

5
6 By: 

7 Robert W. Schmieder II
8 Mark L. Brown
Class Counsel

9 APPROVED AND AGREED TO BY AND ON BEHALF OF DEFENDANT
10 GENERAL MOTORS CORPORATION

11 Date: July 16, 2008

12 ISAACS CLOUSE CROSE & OXFORD-LLP

13
14 By: 

15 Gregory R. Oxford
Attorney for Defendant
General Motors Corporation

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Attorneys for Defendant
General Motors Corporation

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

KELLY CASTILLO, NICHOLE
BROWN, and BARBARA GLISSON,
*Individually and on behalf of all others
similarly situated,*

Plaintiffs,

v.

GENERAL MOTORS
CORPORATION,

Defendants.

Case No. 2:07-CV-02142 WBS-GGH

STIPULATION AND [PROPOSED]
ORDER PRELIMINARILY
APPROVING STIPULATION OF
SETTLEMENT AND DIRECTING
CLASS NOTICE

Honorable William B. Shubb

1 WHEREAS, Plaintiffs and Defendant have entered into a Stipulation of Settlement
2 (the "Agreement") subject to the approval and determination of the Court as to fairness,
3 reasonableness, and adequacy of the settlement which, if approved, will result in dismissal
4 of the Action with prejudice; and

5 WHEREAS, terms defined in the Agreement filed by the parties herein will have
6 the same meaning in this Order,

7 IT IS HEREBY STIPULATED, by and among Plaintiffs and Defendant, that the
8 Court following its review of the Stipulation of Settlement and related documents
9 submitted by the parties, may enter its order as follows:

10 The Court based on its independent review of and due deliberation concerning the
11 Stipulation of Settlement and related documents hereby orders:

12 1. **Preliminary Approval and Provisional Certification.** Based on the facts
13 and legal authorities presented to the Court, the proposed Agreement appears to be fair,
14 reasonable and adequate with respect to Class Members and the Class as defined in the
15 Stipulation of Settlement is provisionally certified for purposes of the proposed
16 settlement.

17 2. **Fairness Hearing.** A hearing will be scheduled by the Parties at a date and
18 time approved by the Court pursuant to subsequent application of the parties to decide,
19 among other things: (a) whether the Class should be certified; (b) whether the Agreement
20 should be finally approved as fair, reasonable and adequate; (c) whether the Action should
21 be dismissed with prejudice pursuant to the terms of the Agreement; (d) whether Class
22 Members should be bound by the release set forth in the Agreement; (e) whether Class
23 Members should be subject to a permanent injunction that, among other things, enjoins
24 and bars Class Members from filing, commencing, prosecuting, intervening in, or
25 participating in (as class members or otherwise), any lawsuit in any jurisdiction based on
26 or relating to the claims and causes of action, or the facts and circumstances relating
27 thereto, in this Action and/or the Released Claims (as defined in the Agreement); and (f)
28

1 whether the application of Class Counsel for an award of Attorneys' Fees and Expenses
2 should be approved.

3 **3. Pre-Hearing Notices.**

4 (a) **Class Notice.** Notice of the proposed class action settlement, in the
5 form filed with this Court as Exhibit C to the Agreement (the "Class Notice"), shall be
6 mailed by Defendant to Class Members within 90 days after the entry of this Preliminary
7 Approval Order, subject to any reasonable extension of this deadline that is agreeable to
8 the parties or ordered by the Court in the event that receipt of needed address information
9 for Class Members from state motor vehicle authorities is delayed.

10 (b) **Proof of Mailing Class Notices.** At or before the Fairness Hearing,
11 Defendant shall file with the Court proof of mailing the Class Notices.

12 **4. Findings Concerning Notice.** Having considered, among other factors, (i)
13 the cost of giving notice by various methods, (ii) the interests of each Class Member; (iii)
14 the likelihood that Class Members' current address can be obtained, and (iv) the likelihood
15 that each Class Member will receive actual notice, the Court expressly finds that notice
16 given in the form and manner provided in Paragraph 2(a) of this Order and as described in
17 the Agreement will provide the best notice practicable under the circumstances. The
18 Court finds that the content and manner of the Class Notice: (i) is the best practicable
19 notice; (ii) is reasonably calculated, under the circumstances, to apprise Class Members of
20 the pendency of the Action and of their right to object to or exclude themselves from the
21 proposed settlement; (iii) is reasonable and constitutes due, adequate and sufficient notice
22 to all persons entitled to receive notice; and (iv) meets all applicable requirements of any
23 law, the Due Process Clause of the United States Constitution, and the Federal Rules of
24 Civil Procedure. The Court further finds that the proposed manner and form of the Class
25 Notice reasonably advises potential members of the Class of the following: (a) the nature
26 of the Action and settlement relief, and that the relief is limited to that provided by the
27 Agreement and is contingent on the Court's final approval thereof; (b) that the Court will
28 exclude a member from the Class if requested by a specified date; (c) that the judgment

1 incorporating the settlement will include and bind all Class Members who do not request
2 exclusion by the specified date; and (d) that any Class Member who does not request
3 exclusion may, if he or she desires, object and enter an appearance through his or her
4 counsel. In sum, the Court finds that the Class Notice and method of mailing to Class
5 Members provided in the Agreement is readily understandable, reasonable, constitutes
6 due, adequate and sufficient notice to all persons entitled to receive notice and meets all
7 the requirements of due process.

8 **5. Exclusion From Class.** Any potential Class Member who wishes to be
9 excluded from the Class must comply with Section IV of the Agreement and deliver a
10 written request for exclusion for receipt by Class Counsel no later than forty (40) days
11 after the date upon which Defendant mails Notice. If the proposed settlement and
12 Agreement is approved, any Class Member who has not submitted a timely and complete
13 written request for exclusion from the Class shall be bound by all subsequent proceedings,
14 orders and judgments in this Action, even if he, she or it has previously initiated or
15 subsequently initiates litigation or other proceeding against the Defendant relating to the
16 Action or the Released Claims. Class Counsel shall tabulate all communications from
17 Class Members requesting to be excluded from the Class and report the names and
18 addresses of such persons to the Court and General Motors no less than 10 days before the
19 Fairness Hearing.

20 **6. Objections and Appearances.**

21 **(a) Written Objections.** Any Class Member who has not submitted a
22 timely written request for exclusion and who wishes to object to the fairness,
23 reasonableness or adequacy of the Agreement or the proposed settlement, or to the award
24 of Attorneys' Fees, may make a written objection, in compliance with Section V of the
25 Agreement, which must be received by Class Counsel and Defendant's Counsel and have
26 been file-stamped by the Court no later than forty (40) days after the date upon which
27 Defendant mails Notice. Written objections must be verified by sworn affidavit and must
28 include: (i) the objector's name, address and telephone number; (ii) the name of the

1 Action and the case number, (iii) a statement of each objection; and (iv) a written brief
2 detailing the specific reasons, if any, for each objection, including any legal and factual
3 support the objector wishes to bring to the Court's attention and any evidence the objector
4 wishes to introduce in support of the objection(s). If the objection is presented through an
5 attorney, the written objection must also include: (i) the identity and number of Class
6 Members represented by objector's counsel; (ii) the number of such represented Class
7 Members who have opted out of the settlement; (iii) the number of such represented Class
8 Members who have remained in the settlement and have not objected; (iv) the date the
9 objector's counsel assumed representation for the objector, and (v) a list of the names of
10 all cases where the objector's counsel has objected to a class action settlement in the last
11 three years. Objecting Class Members who intend to testify in support of their objection
12 either in person or by affidavit must also make themselves available for deposition by
13 Plaintiffs' counsel or Defendant's counsel in their county of residence, between the time
14 the objection is filed and seven (7) days before the date of the Fairness Hearing.

15 (b) **Appearance at Fairness Hearing.** Any Class Member who files
16 and serves a written objection, as described in the preceding subsection, may appear at the
17 Fairness Hearing, either in person or through personal counsel hired at the Class
18 Member's expense, to object to the fairness, reasonableness, or adequacy of the Agreement
19 or the proposed settlement, or to the award of Attorneys' Fees and Expenses. Class
20 Members, or their attorneys, intending to make an appearance at the Fairness Hearing,
21 must deliver to Class Counsel and Defendant's Counsel, and have file-marked by the
22 Court, no later than twenty (20) days before the Fairness Hearing or as the Court
23 otherwise may direct, a Notice of Intention to Appear. The Notice of Intention to Appear
24 must: (i) state how much time the Class Member and/or their attorney anticipates needing
25 to present the objection; (ii) identify, by name, address, telephone number and detailed
26 summary of testimony any witnesses the Class Member and/or their attorney intends to
27 present any testimony from; and (iii) identify all exhibits the Class Member and/or their
28

1 attorney intends to offer in support of the objection and attach complete copies of all such
2 exhibits.

3 (c) Any Class Member and/or their attorney who fails to comply with the
4 provisions of the preceding subsections shall waive and forfeit any and all rights he or she
5 may have to appear separately and/or object, and shall be bound by all the terms of the
6 Agreement and any orders entered by the Court.

7 (d) Written objections and Notices of Intention to Appear (along with the
8 supporting brief, any evidence, and any other required materials) must be filed with the
9 Clerk of the Court and delivered to Plaintiffs' counsel and Defendant's counsel, for
10 receipt by all, no later than twenty (20) days prior to the Fairness Hearing, at the following
11 addresses:

12 Robert W. Schmieder II
13 Mark L. Brown
14 The Lakin Law Firm, P.C.
15 300 Evans Avenue
16 P.O. Box 229
17 Wood River, Illinois 62095
18 Counsel for Plaintiffs

17 Gregory R. Oxford
18 Isaacs Clouse Crose & Oxford LLP
19 21515 Hawthorne Boulevard
20 Suite 950
21 Torrance, California 90503
22 Counsel for Defendant

21 **7. Final Approval Pleadings, Incentive Awards and Fee Application.** The
22 parties shall file all final approval pleadings no later than ten (10) days prior to the
23 Fairness Hearing. The parties may file supplemental responses to any objections
24 involving a deposition of an objector at any time prior to the Fairness Hearing. Class
25 Counsel shall file an Incentive Award Application along with an Attorneys' Fee and
26 Expense Application no later than ten (10) days prior to the Fairness Hearing.

27 **8. Preliminary Injunction.** All potential Class Members who do not timely
28 exclude themselves from the Class are preliminarily enjoined and barred (i) from filing,

1 commencing, prosecuting, intervening in, or participating as class members in, any
2 lawsuit in any jurisdiction based on or relating to the claims and causes of action, or the
3 facts and circumstances relating thereto, in this Action and/or the Released Claims; and
4 (ii) from filing, commencing or prosecuting any other lawsuit as a class action on behalf
5 of Class Members (including by seeking to amend a pending complaint to include class
6 allegations or seeking class certification in a pending action) based on or relating to the
7 claims and causes of action, or the facts and circumstances relating thereto, in this Action
8 and/or the Released Claims.

9 **9. Service of Papers.** Defendant's counsel and Class Counsel shall serve on
10 each other and on all other parties who have filed notices of appearance before the
11 Fairness Hearing, any further documents in support of the proposed settlement, including
12 responses to any papers filed by a Class Member. Defendant's counsel and Class Counsel
13 shall promptly furnish each other with any and all objections or written exclusion requests
14 that may come into their possession before the Fairness Hearing.

15 **10. Termination of Settlement.** This Order shall become null and void, and
16 shall be without prejudice to the rights of the parties, all of whom shall be restored to their
17 respective positions existing immediately before this Court entered this Order, if (a) the
18 proposed settlement is not finally approved by the Court, or does not become final,
19 pursuant to the terms of the Agreement; or (b) the proposed settlement is terminated in
20 accordance with the Agreement or does not become effective as required by the terms of
21 the Agreement for any other reason. In such event, the proposed settlement and
22 Agreement shall become null and void and be of no further force and effect, shall be
23 inadmissible into evidence for any purposes, and neither the Agreement nor this
24 Preliminary Approval Order shall be used or referred to for any purpose whatsoever.

25 **11. Use of Order.** This Preliminary Approval Order shall be of no force and
26 effect if the settlement is not approved or does not become final and shall not be construed
27 or used as an admission, concession or declaration by or against Defendant of any fault,
28 wrongdoing, breach or liability, or by or against Plaintiffs or the Class Members that their

claims lack merit or that the relief requested in the Action is inappropriate, improper or unavailable, or as a waiver by any party of any defenses it may have, including defenses or arguments opposing class certification.

IT IS SO ORDERED.

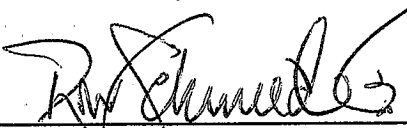
DATED: _____

United States District Judge

APPROVED AS TO FORM:


THE LAKIN LAW FIRM, P.C.

By: _____


Robert W. Schmieder II
Mark L. Brown
Class Counsel

ISAACS CLOUSE CROSE & OXFORD LLP

By: _____


Gregory R. Oxford
Attorneys for Defendant
General Motors Corporation

ROBERT W. SCHMIEDER II (*pro hac vice*)
MARK L. BROWN (*pro hac vice*)
THE LAKIN LAW FIRM, P.C.
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Telephone: (618) 254-1127
Facsimile: (916) 254-0193

C. BROOKS CUTTER (S.B. #121407)
KERSHAW, CUTTER & RATINOFF LLP
401 Watt Avenue
Sacramento, California 95864
Telephone: (916) 448-9800
Facsimile: (916) 669-4499

Attorneys for Plaintiffs

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ISAACS CLOUSE CROSE & OXFORD LLP
21515 Hawthorne Boulevard, Suite 950
Torrance, California 90503
Telephone: (310) 316-1990
Facsimile: (310) 316-1330

Attorneys for Defendant
General Motors Corporation

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

KELLY CASTILLO, NICHOLE
BROWN, and BARBARA GLISSON,
*Individually and on behalf of all others
similarly situated,*

Plaintiffs,

v.

GENERAL MOTORS
CORPORATION,

Defendants.

Case No. 2:07-CV-02142 WBS-GGH

FINAL JUDGMENT

Honorable William B. Shubb

1 This matter having come before the Court on the application of Plaintiffs,
2 individually and as representatives of a class of similarly situated persons (collectively,
3 "Plaintiffs"), and General Motors Corporation ("Defendant") for approval of the
4 settlement set forth in the Stipulation of Settlement and the exhibits thereto (collectively
5 the "Agreement"), and the Court having considered all papers filed, all evidence
6 submitted and proceedings had herein and otherwise being fully informed;

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

8 1. The Court has jurisdiction over the subject matter of this litigation,
9 and over all parties to the litigation, including all members of the proposed Class defined
10 as all residents of the United States who as of [insert the date that notice was mailed to
11 Class Members] own or have owned a model year 2002, 2003, 2004 or 2005 Saturn VUE
12 or model year 2003 or 2004 Saturn ION equipped with a continuously variable VTi
13 transmission ("Class Vehicle") excluding (i) any person, firm, trust, corporation, or other
14 entity that purchased Class Vehicles from GM, or any entity related or affiliated with GM,
15 for resale or fleet purposes (including without limitation any authorized Saturn Retailer)
16 and (ii) any person who has instituted an action for damages for property damage or
17 personal injury against GM related to the VTi transmission of a Class Vehicle ("Class").

18 2. Pursuant to Rule 23(a), Federal Rules of Civil Procedure, the Court
19 finds that the members of the proposed Class are so numerous that joinder of all members
20 is impracticable, that there are questions of law and fact common to the Class, that the
21 claims of the named plaintiffs are typical of the claims of Class and that the named
22 plaintiffs have fairly and adequately represented the Class and will continue to do so.
23 Pursuant to Rule 23(b), Federal Rules of Civil Procedure, the Court further finds that
24 questions of fact common to the Class predominate over factual questions affecting only
25 individual members and that a class action is superior to other available methods for the
26 fair and efficient adjudication of the controversy. Accordingly, the Court certifies the
27 Class as defined in paragraph 1 above.
28

1 3. The Court hereby finds that: (a) the settlement memorialized in the
2 Stipulation of Settlement previously filed with the Court ("Agreement") has been entered
3 into in good faith and was concluded after Class Counsel had conducted an extensive
4 investigation concerning the issues raised by Plaintiffs' claims; (b) the settlement
5 evidenced by the Agreement is fair, reasonable and adequate as to, and in the best
6 interests of, the Class Members; (c) the settlement delivers benefits to the Class in a
7 timely manner while resolving complex issues that would require expensive and long-
8 lasting litigation; (d) the Agreement was the result of extensive arms' length negotiations
9 among highly experienced counsel, with full knowledge of the risks inherent in this
10 litigation; (e) there is no evidence of collusion or fraud in connection with the settlement;
11 (f) the investigation conducted to date suffices to enable the parties and the Court to make
12 an informed decision as to the fairness and adequacy of the settlement; (g) the case raised
13 complex and vigorously contested issues of law and fact that would result in complex,
14 expensive, and lengthy litigation; (h) the Plaintiffs faced significant risks in establishing
15 liability and damages; and (i) the release is tailored to address the allegations in the case.

16 4. Accordingly, the Court hereby orders and declares (a) the Agreement
17 is approved by the Court and shall be binding on all Class Members; and (b) the
18 Agreement as approved by this final judgment is and shall be binding and preclusive in all
19 pending and future lawsuits or other proceedings whether in state or federal court. Each
20 and every term and condition of the Agreement as a whole (including its attached
21 exhibits) is approved as proposed and is to be effective, implemented, and enforced as
22 provided in the Agreement.

23 5. The Court finds that the Class Notice and methodology implemented
24 pursuant to this Court's Preliminary Approval Order provided the best notice practicable
25 under the circumstances. The Court further finds that the Class Notice advised each
26 member of the Class, in plain easily understood language: (a) the nature of the suit; (b) the
27 definition of the Class certified; (c) the class claims, issues, and defenses; (d) that a Class
28 Member could enter an appearance through counsel if desired; (e) that the Court would

1 exclude from the Class any member who timely requested exclusion by a specified date;
2 and (f) that the judgment incorporating the settlement will fully release Defendant,
3 dismiss this lawsuit with prejudice, and include and bind all members of the Class who
4 did not timely request exclusion. The Court finds that the Class Notice and methodology
5 fully complied with all applicable legal requirements, including the Due Process Clause of
6 the Constitution of the United States and the Federal Rules of Civil Procedure.

7 6. The Court also finds that the Final Notice and the post-settlement
8 notice methodology to be implemented pursuant to the Agreement will provide the best
9 practicable notice under the circumstances of the Judgment and Claim Form to all Class
10 Members, and the Court further finds that the Final Notice and methodology constitute
11 due, adequate and sufficient notice to all persons entitled to receive notice, and fully
12 comply with all applicable requirements of law, including the Due Process Clause of the
13 Constitution of the United States and the Federal Rules of Civil Procedure.

14 7. The Court finds that Class Counsel and the Class representatives
15 adequately represented the Class for purposes of entering into and implementing the
16 Agreement.

17 8. The terms of the Agreement as approved by this final judgment shall
18 be forever binding on, and shall have *res judicata* effect and preclusive effect in, all
19 pending and future lawsuits or other proceedings that may be maintained by or on behalf
20 of the Plaintiffs or any Class Members, as well as their collective heirs, executors,
21 administrators, successors and assigns, relating to the Action and/or the Released Claims
22 (as defined in the Agreement).

23 9. The preceding paragraph of this Judgment covers, without limitation,
24 any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or
25 any other counsel representing Plaintiffs or the Class Members, or incurred by Plaintiffs
26 or the Class Members, or any of them, in connection with or related in any manner to this
27 Action, the settlement of this Action, the administration of the settlement and/or the
28 Released Claims.

10. All Class Members who did not timely exclude themselves from the Class are, from this day forward, hereby permanently barred and enjoined from:

(a) filing, commencing, prosecuting, intervening in, or participating in (as class members or otherwise), any lawsuit in any jurisdiction based on or relating to: (i) the claims and causes of action asserted or that could have been asserted in this Action; (ii) the facts and circumstances relating to this Action; or (iii) the Released Claims, or

(b) organizing Class Members, or soliciting the participation of Class Members, in a separate class for purposes of pursuing as a purported class action any other lawsuit (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action in any jurisdiction) based on or relating to: (i) the claims and causes of action asserted or that could have been asserted in this Action; (ii) the facts and circumstances relating to this Action; or (iii) the Released Claims.

11. Class Representatives are each awarded \$_____ for their roles in this litigation ("Incentive Fees"). Class Counsel and Local Counsel are hereby awarded the total sum of \$_____ in attorneys' fees, costs and expenses ("Attorneys' Fees and Expenses"). Defendant shall pay the Incentive Fees and Attorneys' Fees and Expenses in accordance with the Settlement Agreement. Defendant shall have no responsibility for and no liability with respect to the allocation of Attorneys' Fees to Class Counsel or any other person who may assert some claim thereto.

12. Neither this Judgment nor the Agreement (nor any document referred to herein or any action taken to carry out this Final Judgment) is, may be construed as, or may be used as an admission by Defendant of the validity of any claim, of actual or potential fault, wrongdoing or liability whatsoever. Entering into or carrying out the Agreement and any negotiations or proceedings relating to the settlement shall not in any event be construed as, or deemed to be evidence of, an admission or concession of the Defendant and shall not be offered or received into evidence in any action or proceeding against any party hereto in any court, judicial, administrative, regulatory hearing,

1 arbitration, or other tribunal or proceeding for any purpose whatsoever, except in a
2 proceeding to enforce the Agreement. This Final Judgment and the Agreement it
3 approves (including exhibits thereto) may, however, be filed in any action against or by
4 the Defendant to support a defense of *res judicata*, collateral estoppel, release, good faith
5 settlement, judgment bar or reduction, or any theory of claim preclusion or issue
6 preclusion or similar defense or counterclaim.

7 13. Plaintiffs' Second Amended Complaint and this entire Action,
8 including all individual claims and Class claims asserted or that could have been asserted
9 herein, is hereby DISMISSED WITH PREJUDICE, without fees, costs, or expenses to
10 any party except as otherwise provided herein.

11 DATED: _____
12

13 United States District Judge
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NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

THIS NOTICE IS BEING SENT TO YOU BECAUSE YOU MAY CURRENTLY OWN OR MAY PREVIOUSLY HAVE OWNED

A 2002, 2003, 2004 OR 2005 MODEL YEAR SATURN VUE

OR

A 2003 OR 2004 MODEL YEAR SATURN ION

EQUIPPED WITH A CONTINUOUSLY VARIABLE VTi TRANSMISSION

THIS NOTICE MAY AFFECT YOUR RIGHTS,

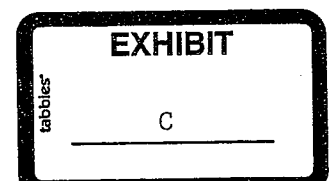
SO PLEASE READ IT CAREFULLY

THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A CLASS ACTION AND, IF YOU ARE A CLASS MEMBER, CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS REGARDING THE PROPOSED SETTLEMENT.

In the action styled Kelly Castillo, et al. v. General Motors Corporation, United States District Court for the Eastern District of California, plaintiffs and defendant General Motors Corporation ("GM") have negotiated the following proposed settlement which they believe will, if approved by the Court, benefit Class Members. The following is only a summary of the proposed settlement terms and background. Complete copies of the proposed settlement documents are on file with the Court.

1. WHO IS IN THE CLASS

The Class consists of all persons who are residents of the United States and who purchased a new or used 2002, 2003, 2004 or 2005 model year Saturn VUE or 2003 or 2004 model year Saturn ION equipped with a continuously variable VTi transmission ("Vehicles"). Excluded from the Class are (i) any person, firm, trust, corporation, or other entity that purchased Class Vehicles for resale or fleet purposes (including without limitation any authorized Saturn Retailer) and (ii) any person who has filed a lawsuit against GM seeking damages for alleged personal injury or property damage in connection with a VTi transmission.



2. DESCRIPTION OF THE LAWSUIT

In October 2007, Plaintiffs filed this lawsuit styled *Kelly Castillo et al., v. General Motors Corporation*, Case No. 2:07-CV-02142 WBS-GGH, in the United States District Court for the Eastern District of California (the "Action"). Plaintiffs on their own behalf and on behalf of the proposed Class allege that the continuously variable VTi transmissions of Class Vehicles are prone to premature failure. They claim that GM by marketing and selling the Class Vehicles equipped with VTi transmissions violated state consumer protection statutes, breached express and implied warranties and was unjustly enriched. GM denies Plaintiffs' legal allegations and contends that it is fully satisfying its warranty obligations to Vehicle owners after it voluntarily extended warranty repair coverage for the VTi transmission in March of 2004 from three years or 36,000 miles, whichever comes first, to five years or 75,000 miles, whichever comes first. GM nonetheless believes that it is appropriate in the interests of customer satisfaction to provide the additional benefits to Class Members that would be made available if the proposed settlement is approved.

3. REASONS FOR THE SETTLEMENT

Counsel for Plaintiffs and the proposed Class ("Class Counsel") have conducted a detailed investigation which included depositions and review of voluminous documents concerning the design, testing and marketing of the VTi transmissions, as well as consultation with independent automotive experts. Based on this investigation Class Counsel have concluded that the proposed settlement, negotiated at arm's length with the assistance of a retired judge, is in the best interests of members of the proposed Class because it will provide immediate and substantial benefits to Class Members while avoiding the uncertainties, substantial delay and expense that would be incurred if litigation of the case continued.

In reaching this settlement, Class Counsel have fully assessed the risks associated with the claims asserted in the Action, including without limitation the requirements that Plaintiffs prove: (i) that the Action is appropriate for class certification treatment; (ii) that the Class Vehicles have a defect that GM was unable to effectively repair under warranty; (iii) that GM in connection with the marketing of the VTi-equipped Vehicles violated differing state consumer protection statutes in fifty states; and (iv) the fact and amounts of damage, if any, experienced by Class Members with respect to more than 90,000 Class Vehicles. Class counsel have also assessed the significant delay in providing benefits to Class Members that would occur even if they were successful in litigating the case through class certification proceedings, trial and a possible appeal. In light of these considerations, Class Counsel believe that the terms of the settlement are fair, adequate, and in the best interests of the Class.

GM vigorously denies any liability in this Action, but also considers it desirable in the interests of customer satisfaction with Saturn products and avoidance of the expense, inconvenience and distraction of litigation that the Action be compromised, settled and dismissed as set forth in the settlement agreement and proposed Final Judgment.

This notice does not express any opinion by the Court concerning the merits of the respective claims or defenses asserted in the Action. This notice is sent merely to advise you of the proposed settlement and of your rights in connection therewith.

4. RELIEF AVAILABLE TO CLASS MEMBERS

If the Court approves the proposed settlement, the benefits available to Class Members will include the following:

(1) Reimbursement for out-of-pocket expenses relating to the previous inspection, repair, or replacement of a malfunctioning VTi transmission, including related towing and rental car expenses, subject to specific time and mileage limitations ("Past Reimbursable Expenses");

(2) Reimbursement for out-of-pocket expenses based on a previous trade-in of a Class Vehicle with VTi transmission malfunction at the time of trade-in ("Trade-In with Transmission Malfunction Reimbursement"), subject to specific time and mileage limitations; and

(3) Reimbursement for out-of-pocket expenses relating to the future inspection, repair or replacement of a malfunctioning VTi transmissions, including related towing and rental car expenses, subject to specific time and mileage limitations ("Future Reimbursable Expenses").

Under the terms of the proposed settlement, reimbursable expenses will include (a) costs to inspect, repair or replace a malfunctioning VTi transmission, (b) costs to rent a replacement vehicle or secure other transportation while the Class Vehicle's malfunctioning VTi transmission is/was being inspected, repaired or replaced, (c) costs to tow or transport the Class Vehicle to the place(s) where the VTi transmission is/was inspected, repaired or replaced, and (d) costs relating to the trade-in of a Class Vehicle with a malfunctioning VTi transmission at the time of trade-in, as further limited and defined below.

To be reimbursable, the expense must be incurred (1) within 125,000 miles of the original retail sale or lease of the Class Vehicle and (2) within the time limitations set forth in Paragraph B (if applicable) and Chart A below.

A. Past Expense Reimbursement

GM will reimburse any Class Member who incurs Past Reimbursable Expenses on or before the date of Final Judgment (*i.e.*, the date of final approval of the settlement by the United States District Court) based on the percentages shown in Chart B below. To obtain reimbursement, the Class Member must submit a Claim Form and the Saturn Retailer or other repair shop bills showing the date, mileage and amount of the repair costs paid by the Class Member and, if applicable, receipts showing the rental car, alternative transportation or towing costs incurred by the Class Member.

All claims for Past Expense Reimbursement will have to be submitted no later than one year after the Effective Date of the proposed settlement, as more specifically defined in the Stipulation of Settlement, but essentially the date upon which the Final Judgment of the Court approving the settlement becomes final and is no longer subject to any possible appeal. This deadline will be clearly stated on the Claim Forms that Class Members will receive after the Effective Date.

B. Past Trade-In With Transmission Malfunction Reimbursement

To claim reimbursement if the Class Member traded in a Class Vehicle with a VTi transmission malfunction, the Class Member must submit a Claim Form and provide contemporaneous dealer documentation including (1) a sales contract including the Vehicle Identification Number ("VIN") of the Class Vehicle that was traded in and (2) a contemporaneous VTi transmission repair estimate referencing the same VIN dated on or before the trade-in date. The reimbursement to the Class Member shall equal the repair estimate multiplied by the applicable percentage shown on Chart B based on the Vehicle's mileage and the Class Member being either a New or Used Vehicle Purchaser. ***Class Members will be entitled to seek reimbursement of trade-in losses only upon proof that the Class Vehicle was traded-in before [insert date that this Class Notice is mailed to potential Class Members].***

C. Future Expense Reimbursement

GM will reimburse any Class Member who incurs Future Reimbursable Expenses after the date of Final Judgment based on the percentages shown in Chart B below, provided that the Class Member incurs the expense and submits the claim within the time limits set forth in Chart A below. To obtain reimbursement, the Class Member must submit a Claim Form and the Saturn Retailer or other repair shop bills showing the date, mileage and amount of the repair costs paid by the Class Member and, if applicable, receipts showing the rental car, alternative transportation or towing costs incurred by the Class Member. GM shall use, or cause any claims administrator to use, its best efforts to issue checks for Future Reimbursable Expense to Class Members within ten (10) General Motors business days of receipt of the Claim Form with all required supporting

documentation. Upon written request by the Class Member, GM shall also issue checks for Future Expense Reimbursement payable jointly to the Class Member and a Saturn Retailer or other repair shop specified by the Class Member.

CHART A

Model Year	Date Before Which Expense is Reimbursable	Claim Submission Deadline for <u>Future Service Expenses</u>
2002	January 1, 2010	March 1, 2010
2003	January 1, 2011	March 1, 2011
2004	January 1, 2012	March 1, 2012
2005	January 1, 2012	March 1, 2012

CHART B

Vehicle Mileage ¹	GM Reimbursement (New ²)	GM Reimbursement (Used)
100,000 or less	100 percent	75 percent
100,101-125,000	75 percent	30 percent

For each VTi transmission repair or replacement using genuine Saturn or GM parts, such replacement parts will be covered by the standard GM Service Parts Operations warranty for a period of 12 months or 12,000 miles, whichever comes first.

For a claim involving a Past Reimbursable Expense, a Trade-in With Transmission Malfunction Expense Reimbursement or a Future Reimbursable Expense incurred before the Effective Date of the Settlement, GM will have the right to reduce the amount to be reimbursed by any amount previously paid by GM or any affiliate of GM for that same repair or trade-in expense. GM, however, will have no right to reduce the amount of any other claim for Future Reimbursable Expenses subject to appropriate verification of the amount of such expenses and the Class Member's eligibility for reimbursement. Notwithstanding the foregoing, GM shall have the right to enforce fully the terms of any

¹ Mileage at time Past or Future Reimbursable Expense is incurred.

² To qualify for reimbursement as a "new" vehicle purchaser, the Class Member must be the original retail purchaser or lessee of the Class Vehicle.

release, judgment, arbitration award or other adjudication obtained in connection with any Class Member's prior claim relating to the alleged malfunction or failure of a VTi transmission..

If the settlement is approved by the Court, you will receive another notice that will include the Claim Form and explain how you can claim benefits under the settlement.

5. DISMISSAL AND RELEASE OF CLAIMS

If the proposed Settlement Agreement is approved by the Court, then all claims that were or could have been asserted in this Action will be dismissed with prejudice. None of those claims may thereafter be asserted by anyone who remains in the Class. If the Court does not approve the proposed settlement, the Settlement Agreement will terminate and shall be null and void, and this Action will remain before the Court.

6. CHOICES OF CLASS MEMBERS

If you qualify to be a Class Member, you have the following choices: (a) you may remain in the Class and be eligible to request benefits under the proposed settlement if it is approved by the Court by submitting a Claim Form that will be mailed to you; (b) if you do not wish to remain in the Class, you may exclude yourself by sending a formal, written request for exclusion; or (c) you may remain in the Class and file with the Court a written objection to the proposed settlement. **If you wish to remain in the class, you do not need to take any action.**

7. EXCLUSION FROM THE CLASS

To request exclusion, you must send a written request for exclusion to Class Counsel: The Lakin Law Firm, P.C., 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095. You must include in your request for exclusion (i) your name, address, and telephone number, (ii) a statement that you want to be excluded from the Class, (iii) the name of the Action appearing in this Notice, and (iv) your signature. If you exclude yourself from the Class, you will not be eligible for any settlement relief or be permitted to participate in the proposed settlement. Your written request for exclusion must be received no later than [Date Certain], or you will lose your right to request exclusion and you will be bound by the settlement and by all orders and judgments in this Action.

8. FAIRNESS HEARING, DATE AND LOCATION

The Court will hold a Fairness Hearing to consider and then decide whether to certify the proposed Class, approve the proposed Settlement Agreement and determine the amount of Incentive Fees to award to Class Representatives and Attorneys' Fees and Expenses to award to Class Counsel. The hearing is scheduled for [Date] at [Time], in

the United States District Court for the Eastern District of California, Courtroom 5 (Hon. William B. Shubb), 501 I Street, Sacramento, California 95814.

9. PRELIMINARY INJUNCTION PENDING FAIRNESS HEARING

Pending the Fairness Hearing, all potential Class Members who do not timely exclude themselves from the Class are preliminarily enjoined and barred (i) from filing, commencing, prosecuting, intervening in, or participating as class members in, any lawsuit in any jurisdiction based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this Action and/or the Released Claims; and (ii) from filing, commencing or prosecuting any other lawsuit as a class action on behalf of Class Members (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action) based on or relating to the claims and causes of action, or the facts and circumstances relating thereto, in this Action and/or the Released Claims.

10. YOUR RIGHT TO OBJECT AND APPEAR

If you do not exclude yourself from the class, you may file a written objection to the proposed settlement. Your written objection must be verified by sworn affidavit and include: (i) the objector's name, address and telephone number; (ii) the name of the Action and the case number, (iii) a statement of each objection; and (iv) a written brief detailing the specific reasons, if any, for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the objection(s). If the objection is presented through an attorney, the written objection must also include: (i) the identity and number of Class Members represented by objector's counsel; (ii) the number of such represented Class Members who have opted out of the settlement; (iii) the number of such represented Class Members who have remained in the settlement and have not objected; (iv) the date the objector's counsel assumed representation for the objector, and (v) a list of the names of all cases where the objector's counsel has objected to a class action settlement in the last three years. Objecting Class Members who intend to testify in support of their objection either in person or by affidavit must also make themselves available for deposition by Plaintiffs' counsel and/or Defendants' counsel in their county of residence, between the time the objection is filed and at least seven (7) days before the date of the Fairness Hearing. You must file your written objection with the Clerk of the Court and send copies to Class Counsel and Defendants' counsel for receipt no later than [Date], 2008, at the following addresses:

Robert W. Schmieder II
Mark L. Brown
The Lakin Law Firm, P.C.
300 Evans Avenue
P.O. Box 229
Wood River, Illinois 62095

Gregory R. Oxford
Isaacs Clouse Crose & Oxford LLP
21515 Hawthorne Boulevard, Suite 950
Torrance, California 90503

As a Class Member, if you file and serve a written objection as described above, you may appear at the Fairness Hearing, either in person or through an attorney paid by you, to object to the proposed settlement. If you or your attorney intend to appear, you must file a Notice of Intention to Appear with the Clerk of the Court that includes (i) how much time you or your lawyer anticipates will be required to present the objection; (ii) the name, address and telephone number of all witnesses who will testify and a detailed summary of such testimony; (iii) identification of all exhibits to be offered in support of your objection and attach complete copies of all such exhibits. Notices of Intention to Appear must be filed with the Court and delivered to Class Counsel and Defendants' Counsel no later than [Date] in order to be allowed to appear at the Fairness Hearing.

11. ATTORNEYS' FEES, CLASS REPRESENTATIVE FEES, AND LITIGATION COSTS AND EXPENSES

Subject to Court approval, GM has agreed to pay up to \$2,500.00 to each of the seven named plaintiffs in the Action for the time, effort and expense incurred by them in connection with the litigation. GM has also agreed, subject to Court approval, to pay a separate sum not to exceed \$4,425,000.00 in full payment of the fees, costs and expenses of Class Counsel. In addition, GM shall pay the cost of notice and of the claims administration. These amounts do not reduce the relief available to Class Members and are in addition to and separate from all other benefits available to Class Members under the settlement. Class Members will have no personal liability for any attorneys' fees or costs associated with the Action.

12. ADDITIONAL INFORMATION

This Notice is only a summary of the proposed settlement. The full proposed Agreement, along with the pleadings and other papers, are on file with the Clerk of the Court. If you have any questions regarding the proposed settlement, then you may contact Class Counsel at saturnvti.classaction@lakinlaw.com, (618) 254-xxxx, or at the above address.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

FINAL NOTICE OF APPROVAL OF SETTLEMENT AND CLAIM FORM

Dear Class Member:

In _____ 200_, you were notified of a proposed settlement of a lawsuit styled *Kelly Castillo et al. v. General Motors Corporation*, Case No. 2:07-CV-02142 WBS-GGH pending in the United States District Court for the Eastern District of California. On _____, 200_, the Court after a hearing determined that the settlement was fair, reasonable and adequate and entered final judgment approving implementation of the settlement.

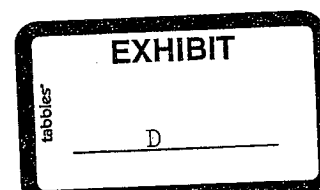
The purpose of this Final Notice is to inform you of the Court's approval of the settlement and provide you with the enclosed Claim Form. The Class consists of all persons who are residents of the United States who as of the date of Final Judgment own or have owned a model year 2002, 2003, 2004 or 2005 Saturn VUE or a model year 2003 or 2004 Saturn ION equipped with a continuously variable VTi transmission, excluding (i) all persons, firms, corporations or other entities that purchased for resale or for fleet purposes (including authorized Saturn Retailers) and (ii) all persons (if any) who have filed an action for damages against defendant General Motors Corporation ("GM") based on alleged personal injury or property damage relating to a VTi transmission.

If you are a Class Member and wish to submit a claim for reimbursement of VTi-related expenses covered by the settlement, then you must properly and timely complete and sign the enclosed Claim Form and return it and the required supporting documentation to the address indicated on the Claim Form. The deadlines for submitting Claim Forms, which may vary depending on the type of reimbursement you claim and the model year of your Saturn are clearly set forth on the Claim Form.

[For used owners only] The records have identified you as a purchaser of a **Used** model year 2002, 2003, 2004 or 2005 Saturn VUE or a **Used** model year 2003 or 2004 Saturn ION equipped with a continuously variable VTi transmission. If this is incorrect, then please indicate on the Claim Form and submit a copy of the sale contract, bill of sale, lease, title, or other document showing your purchase or lease of a new vehicle.

If you have any questions, then you may contact Class Counsel (The Lakin Law Firm, P.C.) at saturnvti.classaction@lakinlaw.com, (618) 254-xxxx, or 300 Evans Avenue, PO Box 229, Wood River, Illinois 62095.

Plaintiffs, Class Counsel, and GM worked hard to make the applicable reimbursement benefits available to you as promptly as possible and hope that the availability of these benefits will increase your level of satisfaction with your Saturn VUE or ION.



CLAIM FORM – ORIGINAL RETAIL PURCHASE OR LEASE

To make a claim for reimbursement, complete and sign this Claim Form and mail it along with all required documents to:

VTi Transmission
P.O. Box ____
Detroit, Michigan [zip]

This Claim Form must be postmarked no later than [**one year after Effective Date**] for:

- reimbursement of repair, towing and rental expenses that you incurred before [date of final judgment]
- reimbursement of a trade-in loss that you incurred before [notice date].

For reimbursement of repair, towing and rental expenses after [date of Final Judgment] see the reverse side for any applicable deadlines.

PERSONAL INFORMATION

Name [Insert per Polk records]

Address [Insert per Polk records, updated by NCOA]

☐ Check this box to update your name and/or address on the reverse side of this Claim Form.

Vehicle Identification Number [from GM list given to Polk]

CLAIM INFORMATION

Check all boxes that apply to you. *See reverse side for reimbursement amount, mileage and date limitations, and claim submission deadlines.*

☐ **Repair, Towing and Car Rental Expense**

Repair Date(s)	Vehicle Mileage(s)	Repair Cost(s)	Towing Cost(s)	Car Rental or Transportation Cost(s)	Total Amount Paid by You

You **must** submit documents (repair bills, towing bills, car rental or other alternative transportation bills) with this Claim Form to receive reimbursement under the Settlement which will be paid on a percentage basis per the schedule on the reverse side.

☐ Check this box to have the reimbursement check payable jointly to you and the authorized Saturn Retailer (or repair shop) that performed the repairs.

Saturn Retailer (or repair shop): _____

Street Address or P.O. Box _____

City/State/Zip _____

EXHIBIT

E-1

☐ **Past Trade-In with VTi Transmission Failure (incurred before [Notice date])**

Trade-In Date	Vehicle Mileage	Repair Estimate Amount

You **must** submit: (1) a sales contract showing the trade-in date, VIN, and mileage; and (2) a written VTI transmission repair estimate showing the same VIN and dated on or before the trade-in date.

I declare under penalty of perjury under the laws of the United States of America that all information provided on this Claim Form and any enclosed repair, towing or rental receipts, trade-in documents, repair estimates or other supporting documentation are true and correct. I understand that my claim may be subject to audit, verification and review, including contacting dealers and repair facilities which inspected, repaired or replaced your VTi transmission, and I give my consent to GM or its representatives, employees or other designees to perform such audit, verification and review and to contact such repair facilities with respect to this claim.

Dated: _____, 200_ _____

[Signature]

[REVERSE SIDE]

Model Year	Date Before Which Expense is Reimbursable	Claim Submission Deadline for <u>Future</u> Repair, Towing and Rental Expenses
2002	January 1, 2010	March 1, 2010
2003	January 1, 2011	March 1, 2011
2004	January 1, 2012	March 1, 2012
2005	January 1, 2012	March 1, 2012

Vehicle Mileage	GM Reimbursement
100,000 or less	100 percent
100,101-125,000	75 percent

For each VTi transmission repair or replacement using genuine Saturn or GM parts, such replacement parts will be covered by the standard GM Service Parts Operations warranty for a period of 12 months or 12,000 miles, whichever comes first.

Updated Address Information:

Name: _____

Address: _____

CLAIM FORM – PURCHASE AS USED VEHICLE

To make a claim for reimbursement, complete and sign this Claim Form and mail it along with all required documents to:

VTi Transmission
P.O. Box ____
Detroit, Michigan [zip]

This Claim Form must be postmarked no later than **[one year after Effective Date]** for:

- reimbursement of repair, towing and rental expenses that you incurred before [date of final judgment]
- reimbursement of a trade-in loss that you incurred before [notice date].

For reimbursement of repair, towing and rental expenses after [date of Final Judgment] see the reverse side for any applicable deadlines.

PERSONAL INFORMATION

Name [Insert per Polk records]

Address [Insert per Polk records, updated by NCOA]

☐ Check this box to update your name and/or address on the reverse side of this Claim Form.

Vehicle Identification Number [from GM list given to Polk]

CLAIM INFORMATION

Check all boxes that apply to you. *See reverse side for reimbursement amount, mileage and date limitations, and claim submission deadlines.*

☐ **Repair, Towing and Car Rental Expense**

Repair Date(s)	Vehicle Mileage(s)	Repair Cost(s)	Towing Cost(s)	Car Rental or Transportation Cost(s)	Total Amount Paid by You

You **must** submit documents (repair bills, towing bills, car rental or other transportation bills) with this Claim Form to receive reimbursement under the Settlement which will be paid on a percentage basis per the schedule on the reverse side.

☐ Check this box to have the reimbursement check payable jointly to you and the authorized Saturn Retailer (or repair shop) that performed the repairs.

Saturn Retailer (or repair shop): _____

Street Address or P.O. Box _____

City/State/Zip _____

EXHIBIT

F-2

☐ **Past Trade-In with VTi Transmission Failure (incurred before [Notice date])**

Trade-In Date	Vehicle Mileage	Repair Estimate Amount

You **must** submit: (1) a sales contract showing the trade-in date, VIN, and mileage; and (2) a written VTi transmission repair estimate showing the same VIN and dated on or before the trade-in date.

I declare under penalty of perjury under the laws of the United States of America that all information provided on this Claim Form and any enclosed repair, towing or rental receipts, trade-in documents, repair estimates or other supporting documentation are true and correct. I understand that my claim may be subject to audit, verification and review, including contacting dealers and repair facilities which inspected, repaired or replaced your VTi transmission, and I give my consent to GM or its representatives, employees or other designees to perform such audit, verification and review and to contact such repair facilities with respect to this claim.

Dated: _____, 200__

[Signature]

[REVERSE SIDE]

Model Year	Date Before Which Expense is Reimbursable	Claim Submission Deadline for <u>Future</u> Repair, Towing and Rental Expenses
2002	January 1, 2010	March 1, 2010
2003	January 1, 2011	March 1, 2011
2004	January 1, 2012	March 1, 2012
2005	January 1, 2012	March 1, 2012

Vehicle Mileage	GM Reimbursement
100,000 or less	75 percent
100,101-125,000	30 percent

For each VTi transmission repair or replacement using genuine Saturn or GM parts, such replacement parts will be covered by the standard GM Service Parts Operations warranty for a period of 12 months or 12,000 miles, whichever comes first.

Updated Address Information:

Name: _____

Address: _____

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

KELLY CASTILLO, NICHOLE BROWN,
BRENDA ALEXIS DIGIANDOMENICO,
VALERIE EVANS, BARBARA ALLEN,
STANLEY OZAROWSKI, and DONNA
SANTI, *Individually and on behalf of all
others similarly situated,*

Plaintiffs,

v.

GENERAL MOTORS CORPORATION,

Defendants.

Case No.: 2:07-CV-02142 WBS-GGH

**DECLARATION OF
ROBERT W. SCHMIEDER II**

Declarant, Robert W. Schmieder II, in accordance with 28 U.S.C. § 1746, hereby attests as follows:

1. I am an attorney at The Lakin Law Firm, P.C., counsel for Plaintiffs in the above-captioned class action litigation. I have personal knowledge of the facts stated herein, except those matters stated upon information and belief.

2. In April of 2007, an unhappy Saturn owner contacted us about possible problems with the Saturn VTi transmission. Unbeknownst to us, that same customer apparently shared our contact information with other customers via an internet website for Saturn owners, and we soon were flooded with dozens of calls and e-mails from other unhappy Saturn customers reporting similar problems and circumstances. For the next six months, we consulted extensively with Saturn customers, potential class representatives, and automotive industry consulting experts. In addition, we obtained and analyzed technical service bulletins, general background literature regarding CVTs, and other documentation pertaining to the VTi. Once we had completed an exhaustive pre-suit investigation and had an adequate understanding of the nature and scope of the problem, we ultimately filed this action in October of 2007 on behalf of Plaintiffs Kelly Castillo, Nichole Brown, Barbara Glisson, and the proposed Class. Representative Plaintiffs Brenda Digiandomenico, Valerie Evans, Stanley Ozarowski, and Donna Santi

were added upon filing of the First Amended Complaint on January 14, 2008.

3. Since April of 2007, more than 250 Saturn owners reporting failures of their VTi transmissions have contacted us. We have interviewed many of the owners, collected documents from them, and often taken their recorded statements. In addition, since filing this action, we have served GM with extensive written discovery requests, thoroughly analyzed thousands of pages of documents produced by GM, deposed two current GM executives familiar with the facts at issue, subpoenaed two of GM's third-party vendors involved in manufacturing and testing the VTi, reviewed thousands of pages of responsive third-party documents, interviewed numerous potential testifying experts, and read numerous industry publications relating to CVT technology in general and the VTi in particular.

4. Counsel for the parties first met in Chicago on March 13, 2008 to discuss discovery matters and the possibility of a settlement. That full-day meeting did not result in a resolution, however, and the parties continued to engage in discovery while simultaneously working to coordinate the formal mediation that ultimately took place with Judge Sabraw in San Francisco on May 21.

5. The May 21 mediation took place before the Honorable Ronald Sabraw, former complex litigation judge of Alameda County, California, from approximately 9:00 a.m. until approximately 10:30 p.m. The mediation, an arm's-length negotiation with significant back-and-forth assistance from Judge Sabraw, resulted late in the day in agreement regarding the relief to the Class, and the signing of a term sheet memorializing the basic terms of that agreement. The term sheet provided, among other things, that incentive awards to the Representative Plaintiffs, attorneys' fees and costs would be paid by GM in addition to (i.e., without diminishing) the relief to the Class. The parties then negotiated the amount of the incentive awards for Representative Plaintiffs. Finally, the parties began negotiations regarding the issue of attorneys' fees and costs. Unable to resolve this issue by 10:30 p.m. on the day of the mediation, the parties continued telephonic negotiations for the next several days until ultimately reaching final agreement

regarding attorneys' fees on June 5.

6. Based upon our research and investigation, GM offers certain extended warranties up to 100,000 miles but, upon information and belief, GM does not offer any extended warranty options past 100,000 miles. To qualify for a GM extended warranty, an owner must purchase it within the initial manufacturer's warranty period (3 years / 36,000 miles) or at the time of vehicle purchase. The cost of GM "Basic Guard" extended warranty coverage from 75,000 miles through no more than 100,000 miles costs between \$1,030 and \$2,850 for Saturn vehicles equipped with the VTi transmission. The deductibles range from \$50 through \$200 for each extended warranty claim.

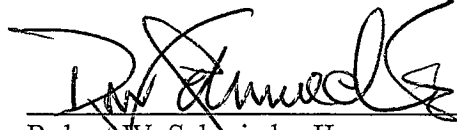
7. Based upon our research and investigation, at least one third-party company offers extended warranty coverage through 125,000 miles. To purchase extended power-train warranty coverage between 75,000 and 100,000 miles on a Saturn vehicle equipped with the VTi transmission, the cost ranges between \$1,584 and \$1,895 for 24 months / 24,000 miles of coverage. To purchase extended power-train warranty coverage between 100,000 and 110,000 miles on a Saturn vehicle equipped with the VTi transmission, the cost ranges between \$1,530 and \$1,729 for 12 months / 12,000 miles of coverage. To purchase extended power-train warranty coverage between 110,000 and 125,000 miles on a Saturn vehicle equipped with the VTi transmission, the cost ranges between \$1,554 and \$1,803 for 12 months / 12,000 miles of coverage. Therefore, power-train extended warranty coverage from 75,000 miles through 125,000 would require an owner of a Saturn vehicle equipped with the VTi transmission to purchase three (3) extended warranties at a cost exceeding \$4,500. In addition, there is a deductible for each extended warranty claim.

8. After the parties executed the term sheet regarding class relief on May 21, 2008, we contacted all of the Representative Plaintiffs and made an effort to notify all Saturn owners who previously contacted us to discuss the proposed class relief. The

response of the Representative Plaintiffs and those Saturn owners whom we reached was very favorable.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 22, 2008.



Robert W. Schmieder II